













# No longer a French monopoly

BY PAUL BETTS, RECENTLY IN ALGERIA

ALGERIA'S STATE mechanical construction concern, Sonacome, has signed a contract with a Canadian engineering company, SNC (Surveyor, Neuner, and Chenevert), and Berliet, a subsidiary of Régie Renault, to build a foundry and spheroidal graphite smelter at Rouiba in the industrial zone of Algiers. Sonacome also said that it has been awarded a credit of Canadian \$72m. over 14 years by Société pour l'Expansion des Exportations of Canada to cover 90 per cent of the financing.

The announcement is understood to have been welcomed in France as a sign that relations between France and Algeria are improving.

The Rouiba contract comes only a week after the Algerian hydrocarbon state company, Sonatrach, reached an agreement with Gaz de France to modify two earlier contracts for the supply of liquefied natural gas. Although details of the SNC-Berliet contract have not been disclosed, it is understood that the foundry will have an annual capacity of 10,000 tons, will supply castings to the truck and bus plant at Rouiba. The plant was constructed by Berliet under an agreement signed at the end of July, 1970.

The foundry, according to Sonacome, will enable production at Rouiba to reach 9,000 vehicles a year in 1980. At present, output is about 1,500 vehicles a year, well short of

the 4,500 originally projected for 1976. "And the demand is considerable," Mr. Ali Bouzerna of Sonacome said. "In 1975 we had to import 20,000 industrial vehicles."

Rouiba, like the engine and tractor complex at Constantine, more than 250 miles East of Algiers, is a priority project in Algeria's industrialisation programme which aims to make the country economically self-reliant by the mid 1980s.

The contract to build the Constantine plant was awarded to the West German company Deutsche Industrieanlagen (Diag)—over 90 per cent owned by Berliner Industrie Bank and Berliner Handelsgesellschaft—Frankfurt Bank and Berliner Bank share holdings—in 1969. The complex, although working well below full capacity, has nevertheless become a showpiece of the Algerian industrial revolution. The award of a DM825m. contract at the end of last week to a German and Swiss consortium led by Diag to build a factory to produce electric motors, generators and transformers at Aazaga, near Algiers, is understood to have been partially prompted by Diag's good record at Constantine.

This and the loss of an important contract to build a chemical-pharmaceutical plant in Medea, 40 miles southwest of Algiers, to a U.S.-Italian consortium involving E.R. Squibb of Princeton and the Italian companies of IRI and CITIP had

caused serious concern in French industrial circles. Relations between Algeria and France had progressively deteriorated since mercury corrosion and compression trouble brought one of the Sidkha gas liquefaction plants to a standstill in 1974. The dispute between Sonatrach and the French contractors, Technip, is understood to have hinged on whether the mercury had seeped into the gas at Sidkha or at source in the Sahara. Although the plant is now in full operation, the row left deep-rooted enmity.

Another major row broke out in May when Algerian authorities accused three French engineers of industrial espionage. At the trial, the Algerian state prosecutor demanded that the three men be sentenced to death since under the Algerian penal code crimes "endangering the country's industrial revolution" can incur the capital penalty.

Eventually, the Algerian state security court acquitted one man, but the other two were sentenced to ten and three years imprisonment respectively.

Also last May a ministerial decree was passed stipulating that French national might no longer enter Algeria without a valid passport. Prior to this an identity card was sufficient. And last month, Algeria ordered the nationalisation of all privately owned schools, many of which had been in French hands.

The Sonacome contract and the new Gaz de France agreement have before brought a glimmer of hope to French industrialists. France, in fact, has been keen to secure contracts for a number of proposed Algerian projects including a tyre factory and a car manufacturing plant at Oran, in the West.

The proposed plant at Oran, according to Sonacome, is eventually intended to produce 100,000 cars a year. The main tenders for the project, first suggested by Algerian authorities six years ago, are Régie Renault and Fiat. A Sonacome official said that Volkswagen, General Motors, Toyota, Peugeot and Simca-Chrysler had also expressed interest. And although Régie Renault recently said that it was still holding talks with the Algerian Government on the project, observers in Algiers speculated that the visit to Algeria last month of Sig. Giovanni Agnelli, president of Fiat, was closely related to the Oran scheme.

Sig. Agnelli is understood to have had talks with the Algerian President, Col. Houari Boumedienne, on June 11. And France is now concerned that Algeria may decide to reduce significantly its imports of French cars and machinery to Italy for the bulk of its imports in this sector. This impression was reinforced by a Sonacome official at Constantine who remarked last month that Algeria was no longer a "French monopoly."

## AMERICAN NEWS

# Mondale: the northern liberal on the ticket

BY DAVID BELL

MR. CARTER succeeded in keeping it a secret to the last. Even the five also-rans in the Vice-Presidential contest were not told this morning who had been selected, but only that they had not. Sen. Walter Mondale himself did not get the all-important phone call until an hour before his appointment was announced.

All the Carter thoroughness was once again in evidence today. Even Mr. Mondale's blood pressure readings which were supplied by his own doctor have been analysed by an independent expert and—surprisingly—the expert was in Atlanta. Mr. Carter's soft-spoken answers at his Press conference suggested that it is most unlikely that there is very much about Mr. Mondale that the Georgian does not know.

If the choice had been narrowed to a contest between Mondale and Sen. Edmund Muskie the choice of the Senior Senator from Minnesota is not entirely surprising. The next two years in Washington "trying to win the nomination," he added, "I don't think anyone should be President who is not willing to go through fire."

Ever while Mr. Mondale was making these remarks, however, Mr. Carter was on the road, hanging his socks up to dry each evening in these self-same hot days to avoid laundry bills. His commitment was total and it was around the small head of supporters he found around the country that he later built his almost identical to his mentor

brand of toothpaste. And the Republicans are rumoured to have prepared a slogan: "If you liked McGovern, you'll love Mondale."

Despite a remarkable re-election triumph in Minnesota in 1972, after which he emerged as a leading contender for the nomination, he failed to use his liberal and labour support to good advantage during his own campaign for the Presidency which ended nearly two years ago. When he bowed out of the race in November, 1974, he noted that he did not wish to "stand the next two years in Washington" trying to win the nomination. Basically, he added, "I don't think anyone should be President who is not willing to go through fire."

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Sen. Mondale, the son of an impoverished rural Methodist preacher of Norwegian extraction, entered politics at the age of 20 when he managed a Minnesota Congressional district for Humphrey. After qualifying as a lawyer he was appointed State Attorney General in 1958, a post he held until his election in 1968 to the Senate as one of a crop of promising young liberal Senators who now have considerable power. In 1972 he won the largest majority of any Democratic Senator up for re-election even though Mr. Nixon carried Minnesota and 48 of the other 49 States.

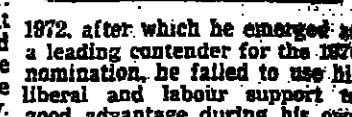
His voting record has been almost identical to his mentor

Mr. Carter took great trouble today to say that he had questioned Mr. Mondale closely about his real willingness to work the kind of hours that Carter demands. He acknowledged that he had had doubts to begin with, but he is now clearly satisfied not only about this but also about Mr. Mondale's undoubted intelligence and ability. On issues dear to Mr. Carter's heart like tax reform, the reorganisation of the government and the role of the Presidency, the two men appear to have found much common ground.

And Mr. Carter, who has proved himself unusually willing to delegate authority to those he trusts, clearly envisages a major role for Mondale if they win the election.

Senator Humphrey has become the only Senate both the Senate Finance Committee. He will clearly value his own experience and his own to domestic as such as national health care. His foreign policy is limited but his party's stance in favour of defence cuts and co-operation with Nato, he to U.S. intervention in a case like Angola is to Carter specifically today.

Mr. Mondale has begun hedging his bets with for example, his ambiguous remarks on other, an issue on which he is fiercely united but Carter has treated very



## Heseltine bemoans lack of Soviet orders

BY DAVID LASCELLES

THE FAILURE of Britain to make much headway in its trade with the Soviet Union was graphically illustrated by Mr. Michael Heseltine, the Opposition spokesman on trade in a speech to the Soviet-British Chamber of Commerce yesterday.

So far this year, exports were at the same level as last year, he said, while imports were rising by 40 per cent. At the present rate Britain would end the year with a deficit of £300m. this year. In the meantime, the U.S. had increased its surplus on Soviet trade by £130m. West Germany by almost £1bn. and Japan by £600m.

Also, Britain had not won a single order worth more than £5m. in 1975, and only 3 per cent of the £950m. credit extended by Britain in February 1975 had so far been used up, even though 30 per cent of its life had already elapsed.

Mr. Heseltine said the Soviet experience was the same as the phenomenon of Britain's exports everywhere: problems of price, quality and delivery dates. "We

## Britain and Mexico hope for closer cooperation

BY HUGH O'SHAUGHNESSY

MR. JAVIER ALLEJO, the Mexican Minister of National Patrimony, who has a major role in supervising the state sector of the economy, is to visit Britain next week as a Government guest as part of a major effort by the two countries to increase their economic and trading links. In London at the same time will be Antonio Dovali, Jaime head of Petroleos Mexicanos (PEMEX), the state oil company. Sr. Dovali is to sign a major loan agreement with a group of British banks.

The visits come in the wake of the first meeting of the British-Mexican Joint Commission set up last year to promote co-operation between the two Governments in April. The meeting, which ended in Mexico City on July 2, was attended by senior trade officials of the two countries, the British side being led by Mr. W. M. Knighton, an Under Secretary of the Department of Trade. The Memorandum of Understanding—known in some official quarters as We Love One Another agreements—has been increasingly used by the Department of Trade to give the official stamp of blessing to bilateral trade relations, without going as far as the sometimes cumbersome trade agreements favoured by the Governments of centrally planned economies.

The recent meeting was seen as very fruitful by the British side. Britain sees Mexico as an increasingly important trading partner as the Mexican drive to sell big quantities of crude oil

and refined products gets under way. Mexico is seen as eventually having as much disposable income as the average member of OPEC. For its part, Mexico's ministers and officials have left the British in no doubt of their interest in diversifying their sources of supply away from too great a dependence on the U.S. "Through the administration of President Luis Echeverria comes to an end on December 1, and though there is much speculation about the composition of the incoming Government of Sr. José López Portillo, the British side is confident it has made personal contact with a number of senior figures who will continue to be influential in the incoming administration.

British exports to Mexico last year came to £110m. Imports from Mexico to £109m. The bare figures, however, take no account of the large quantity of Anglo-Mexican trade which is funnelled through the U.S. PEMEX is seen as an increasingly good credit risk in the City. The sole producer in Mexico of crude oil has seen its production in 1975, 23 per cent more than that of 1974 and 59 per cent more than the 1973 Production should be running at 1,020,000 barrels a day by the end of this year. Installed refining capacity was 785,000 in 1975, a 33 per cent increase in the hopes of making the most of the efforts to minimise its exports of crude oil in favour of sales of higher-priced refined products.

## Midlands exports lead

BY PETER CARTWRIGHT

MIDLANDS INDUSTRIES appear to be responding more energetically to the drive than the rest of the country. Their confidence in the future is underlined by a proportionately greater investment than their 13 per cent share of U.K. manufacturing industry indicates.

A survey of the Confederation of British Industry's (CBI) 200 member companies in the region employing 240,000 people discloses a 27 per cent increase in value (10 per cent plus by volume) in exports in the first quarter this year compared with the corresponding quarter last year. Exports per head from the region have increased to £3,931 in the first quarter, half as much again as the national average. Many of the firms are concentrating their export attack on the Middle East, with Saudi Arabia and Iran most frequently mentioned.

Further evidence of the region's recovery—the recession dragged it down quicker than any other manufacturing region—is contained in the latest report from the West Midlands department of industry.

This shows that Government priming through the accelerated investment and ferocious financial incentives is generating four to five times as much total investment as the loans and grants—a considerably higher than average ratio.

Iron and steel foundries in the region, which have taken advantage so far of £3.9m. from the Government, have combined profits totalling £16.6m. while the accelerated investment scheme has generated an all-round investment of £48m. There is now real hope that an expanding economy will not be aggravated by plant and equipment shortages, and subsequent loss of business, as happened in 1972.

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## Strike may black out Olympic TV coverage

MONTREAL, July 15.

LABOUR PROBLEMS here could deprive an estimated 1bn. television viewers and radio listeners around the world of all coverage of the Olympic Games.

The Canadians have spent four years carefully planning the coverage with a total investment of \$54m., but all broadcasting during the two-week Games could be blacked out if a strike by technicians

Some 350 staff at the Canadian Government's telecommunications agency, Telelobe, have been on strike since last Monday to demand a 23 per cent pay increase, and an official mediator has so far failed to resolve the dispute.

But administrative staff at Telelobe said they were confident they could feed full pictures and commentary on the Games to the world on their own.

There have also been suggestions that if they cannot handle the job then Canadian and foreign military communications could be used.

The danger is that the technicians, who were to produce the broadcast at 27 venues and process them at a specially designed centre here, would refuse to send them on to Telelobe for transmission.

A spokesman for the National Association of Broadcast Employees and Technicians said members were being polled on the issue.

A spokesman for the Olympic Radio and Television Organisation (O.R.T.O.) said that industrial action among its 1,600-strong staff would almost definitely mean that almost all coverage of the Games would collapse. At the very best there would be late night aircraft ferrying videotape highlights of the day's events to other countries and viewers would get limited programmes next day.

Overseas viewers will probably not know until just before the Games start whether the full Olympics programmes will be on their screens. The programming was particularly vulnerable because nearly all the pictures are being produced by ORTO, which then passes them on through Telelobe to regional broadcast groups throughout the world.

The Canadian Government made a special grant of \$25m. to help pay for the coverage. Another \$35m. came from the Games organising committee which in turn charged the individual associations and networks for the product, and the remainder was made up in charges for special facilities.

Most of the equipment was brought just for the Games, and staff were specially trained in Western Europe and the U.S. Reuter

## Alcoa implicates U.S. envoy

BY STEWART FLEMING

ALUMINUM COMPANY of America has alleged in documents filed with the U.S. Government's Securities and Exchange Commission that, following a request from a U.S. Ambassador in a foreign country, it made political payments in the country which were not disclosed on its accounts.

The allegation by Alcoa, the first time since the controversy about foreign and domestic bribes and political payments, erupted, that a U.S. Government official has been implicated in public documents.

Alcoa revealed last week that it had made political and other questionable payments in foreign countries totalling \$348,000, but the circumstances of some of the payments only emerged when the SEC made the detailed filing public.

According to the Alcoa filing, the unidentified ambassador approached the high company official with the suggestion that the company make a contribution to a proposed educational programme in the foreign country.

The programme was designed to explain to citizens of the country the advantages of permitting U.S. investment there.

The company made a contribution of \$25,000 which was recorded in its books of a subsidiary as a miscellaneous expense. Subsequently, national payments totalling \$3,000 were made and a contribution of \$5,000.

Alcoa, which is the largest aluminium producer in the world, has been under legal attack for refusing to disclose in which country it made such payments, and in which countries in which it had substantial business, such as Australia and Britain, and Mexico, and said it in one of these 13.

Copies of the deal with West Germany, which have been requested and sent to a number of different foreign governments for their consideration, included Japan and Venezuela, which was added to the list.

The spokesman also explained that the U.S. has had a very recent formal agreement with this topic with a N. anti-trust authority.

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## Anti-bribery pacts claim den

BY JAY PALMER

THE U.S. Justice Department today denied reports from Tokyo that it was seeking international agreements to curb the "unfair business practices of multinationals."

A spokesman said: "We have already signed and are still willing to seek further ties detailing co-operation on anti-trust matters."

"This," he stressed, "does not mean that the U.S. is not intended to provide for international co-operation on such matters as corporate bribery. The agreements now

being considered would only cover such matters in rare instances when a bribe was used by a company to achieve a monopoly position."

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## Caracas arrests over 'paymer'

BY JOSEPH MANN

A VENEZUELAN judge yesterday issued warrants for the arrest of six people in connection with \$3m. in bribes alleged to have been paid by Occidental Petroleum in Venezuela. Among those cited in the warrants were Venezuela's former representative before OPEC, Sr. Alberto Flores Ortega, an aide to a former Mines Minister, and two Americans.

The warrants do not deal directly with the alleged bribery paid some \$3m. to Venezuelan legislators and Government officials in order to obtain drilling contracts in the part of Lake Maracaibo.

Occidental has been under investigation by various bodies of the Venezuelan Government since last year, when a former Occidental employee claimed in the United States that the company had

paid some \$3m. to Venezuelan legislators and Government officials in order to obtain drilling contracts in the part of Lake Maracaibo.

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## THIRD WORLD TRADE

The Financial Times proposes to publish a special survey in its issue of September 17, 1976, to precede the Exposition, LONDON IMPO-EXPO, to be held at the World Trade Centre, London, from October 3 to October 25. The provisional editorial synopsis is set out below:—

1.—Introduction: The size of the trading problems of the developing countries; the double blows of the oil price rise and world recession; what can be done; the importance of the LONDON IMPO-EXPO EXHIBITION and what it might achieve; UNCTAD and other bodies designed to help the poor countries and what they have achieved. The vital role of trade in that the fastest growers have been big exporters.

2.—The Third World and Britain:

3.—The Third World and the EEC:

4.—The Third World and the Non-aligned World:

5.—The Commonwealth Connection:

6.—The Third World and Commodity Trade:

7.—The Third World and Trade in Industrial Products:

8.—UNCTAD and GATT:

9.—Transport and Trade:

10.—Finance and Trade:

11.—The



## EUROPEAN NEWS

## Bundesbank confident on inflation rate for 1976

ADRIAN DICKS

BONN, July 15.

Even in the area of investment, which remains perhaps the principal area of concern for West German officials in the domestic economic arena, State Secretary Otto Schlecht of the Economics Ministry offered a hopeful outlook. Between the last quarter of 1975 and the first quarter of this year, real investment rose by 5 per cent. For the year as a whole, he estimated that it might be up by 8-9 per cent.

Although this is slightly lower than the 10 per cent forecast yesterday by the Berlin-based German Economic Research Institute, it would still represent the largest increase in real investment since 1971.

## Complaints from ACP countries admitted

By Robin Reeves

BRUSSELS, July 15.

THE EUROPEAN Community today formally acknowledged that implementation of its much-awaited Lomé Convention with 46 African, Caribbean and Pacific developing countries has not worked as smoothly in some areas, as it should.

At the first joint Ministerial meeting since the Convention was concluded 18 months ago, the Community was faced with a clutch of specific complaints from the ACPs on the way the Brussels Commission has chosen to implement what the EEC likes to claim is a 'free trade' area, a trade and co-operation agreement with the developing countries.

## AFTER THE EEC SUMMIT

## Cooperation comes on trial

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

THE UNDISPUTED success of this week's 'summit' conference of EEC heads of government has understandably left a glow of euphoria in its wake. After months of virtual stagnation, there are now grounds for hoping that the logjam in co-operation between the nine has been broken and the way opened for a genuine further advance at a number of levels.

But much remains to be done if the positive spirit evident in Brussels over the past few days is to have any enduring significance. Nowhere is this truer than of the agreement in principle on a formula for direct elections to the European Parliament, which has been widely acclaimed as the most important decision to emerge from the summit and the most likely to generate new political impetus of its own inside the EEC over the longer term.

France has in the past argued against any formula requiring a Treaty amendment, claiming that this would entail a change in the French Constitution which could arouse opposition from purists in the Gaullist Party. But Community observers are somewhat more confident today than a few months ago of President Giscard d'Estaing's ability to negotiate this hurdle.

Of rather more concern in Brussels are the potential obstacles in Britain and Denmark. While supporting the

try could affect voters going to the polls in another, it is considered important that balloting should take place throughout the EEC on the same day—or as near to it as possible. But there are potential problems here, arising from differing national laws and customs, and if the abortive efforts to achieve agreement on a synchronised summer time across the EEC are any indication, they could prove sticky.

Though somewhat less intractable than in the U.K., the task of allocating seats in several

Denmark is insisting that only members of the Folketing may sit in the European Parliament. Opponents of a compulsory dual mandate argue that it will sharply diminish the field of potential candidates and, moreover, will impose serious practical limitations on their participation in the European Parliament. But in the longer run, the quality of candidates at direct elections is likely to be determined at least as much by the amount of power which the Parliament obtains.

At present, the only real power vested in the Parliament is its control over the Community budget. But even this is limited strictly to 'non-compulsory' expenditure, which accounts for only a small part of the budget, and the proportion by which the Parliament may order changes in expenditure is prescribed by a rigid formula linked to economic developments in member states.

The conventional wisdom among advocates of European integration is that once in place, a directly-elected European Parliament will inevitably demand and be granted greater authority. But this presupposes a willingness by the Council of Ministers, and hence by member Governments, to make such concessions. This week, Mr. Callaghan was still suggesting that any significant transfer of power to the Parliament was unlikely in the immediate future.

## Institutional tensions

At an operational level, a problem exists over the siting of the future Parliament. At present, it meets both in Strasbourg and in Luxembourg, but the secretariat is based in the latter city. Many people in Brussels would like to see it housed permanently in Luxembourg, which is closer, but this would almost certainly involve constructing a larger building and would run into strong French objections.

Also to be decided is the question of the 'dual mandate'—whether or not future European MPs must also be members of their national parliaments. This is the case at present. This several years. But as preparations for implementing it move ahead in the coming months, the full implications of the agreement in principle reached at the summit on Monday will be clear for all to see.

At the summit, the British Government provided a test of the co-operative spirit demonstrated by heads of up to the candidates themselves, government over the past few days while at the other extreme days.

## Andreotti takes 'independent' line

DOMINICK J. COYLE

ROME, July 15.

IULIO Andreotti is developing an interesting line. The Communists say they are not prepared to negotiate with Sig. Andreotti on policies unless the CD first drops its traditional 'prejudice' against the PCI. While being denied a direct role in Government, the Communists suggest nonetheless that they are not prepared to act as an opposition.

What Sig. Andreotti may offer tentatively is a kind of 'deal' on the formulation of policy. It follows, presumably, that in the event of agreement on a programme, the PCI could see itself with no formal role as a parliamentary opposition. However, such a 'deal' with the Communists would probably bring Sig. Andreotti more than enough opposition from right-wing elements in his own party.

Opposition of another kind is coming from a number of CD Senators and Deputies, many of them elected for the first time in last month's general election. They have asked Sig. Andreotti, through the office of party secretary Benigno Zaccagnini, to ensure that any Cabinet formed since the scheme went into effect will not include former Communist party leaders. This demand strikes directly at such old party hands

## Concern over details

While a general declaration of principle by heads of government was clearly essential, the speed with which the nine can move towards the target of holding the first set of direct elections in May or June of 1978 now depends on their ability to agree on the fine print. And the settling of practical details, especially at the national level, may not be achieved easily.

Procedurally, the immediate next step lies with the Council of Ministers, where working parties have been charged with drawing up a legal text formalising the decision by the 'summit'. A final draft is expected to be ready later this month, and once approved by the Council will be submitted to the member states for a vote by national parliaments.

On question which has yet to be decided is whether an amendment to the Treaty of Rome will be required. A number of experts on Community law believe that this may be necessary because the agreed formula for a 410-seat European Assembly is based on strict proportional representation on the 198-seat configuration laid down for the current Parliament under the Treaty.

If this turns out to be the case, it might complicate the task before the French Government.

## Compromise

Meanwhile, the Socialists, Italy's third largest party, are for the moment more interested in trying to patch up internal differences than in immediate overtures from Sig. Andreotti. Sig. De Jonquieres adds from Brussels: The EEC Commission is poised to extend for a further three months its authority for Italy's emergency import deposit scheme, which is due to expire on August 6. A formal demand for an extension was submitted by the Italian authorities on Tuesday, and the Commission agreed to consider it at its regular weekly meeting yesterday.

## Spokesman

A Commission spokesman said today that he expected a final decision to be taken within the next three weeks, subject to a continuation of the scheme in its present comprehensive form, with few if any modifications. The spokesman said that while the Italian payments position has shown signs of improvement since the scheme went into effect last May, it was considered desirable that it should be given more time to strengthen.

## Ceausescu extends power base

BY PAUL LENDVAY

VIENNA, July 15.

IN A SURPRISE move the Romanian party leader Mr. Nicolae Ceausescu yesterday took over the direct leadership of the ideological commission of the Communist Party's central committee, thus strengthening even further his personal power base. He is already secretary-general of the Communist Party, President of the State Supreme Council, Commander of the Armed Forces, Chairman of the Defence Council and also of the Council on Social-Political Development.

The top party body, the executive political committee, announced this decision last night in view of what was described as 'the special importance of the ideological and cultural-educational activity of the Party'. Mr. Ceausescu, severely criticised ideological work at last month's cultural-political congress which was

followed by the replacement of the Ministers of Culture, Defence and Health as well as of the Bucharest party chief. The fact that the secretary-general himself has now taken over the direct control over the 'ideological front' is an obvious set-back to the position of the younger secretaries of the central committee Mr. Corneliu Borcescu and Mr. Dumitru Burtea respectively in charge of the propaganda, press and cultural-science matters.

Meanwhile it is also claimed that 'on the personal direction of President Ceausescu' the new five year plan (1976-80) provides for a faster rise of the standard of living and of food and consumer goods production than originally projected at the Party Congress at the end of 1974. The entire Romanian press has published lengthy extracts of the plan about the expansion of consumer goods output. However the annual growth rate of food and consumer goods production will still be only 8.7 per cent to 9.2 per cent, as against an average industrial growth rate of 10.2 to 11.2 per cent, with chemical and engineering sectors expecting annual growth of up to 16.3 per cent.

Price problems and the Romanian bid for increased Soviet raw material supplies are understood to be in the centre of high level Soviet Romanian talks conducted in Moscow this week. The veteran economic leader and deputy prime minister Mr. Gheorghe Radulescu leads a delegation consisting of ministers of metallurgy, engineering, chemicals and power as well as other high officials.

## French privacy proposal

BY RUPERT CORNWELL

PARIS, July 15.

THE FRENCH Government will submit to Parliament this autumn a draft Bill aimed at strengthening personal protection from the growing intrusion into privacy by the computerised storage of data on an individual.

The legislation adopted by the Cabinet this morning echoes the public outcry which followed the notorious 'safari project' of 1974, whereby the Interior Ministry had installed a mammoth 'big brother' data bank centralising information on every Frenchman to which all branches of government would have had access.

The cornerstone of the new scheme is a specialised 12-man store information on a person's Commission made up of senior race or his religious or political lawyers and magistrates, data views.

## Norway industry hopeful

BY OUR OWN CORRESPONDENT

OSLO, July 15.

NORWEGIAN industry expects a further strengthening of the current economic recovery during the third quarter, according to the latest Central Bureau of Statistics Business Trends Survey.

Firms remain optimistic despite the failure of the April-June upswing to match expectations.

As many as a third of the 600 leading industrial firms covered by the survey now expect better times ahead, the Bureau says.

The previous quarterly survey found a quarter of the firms then anticipated a second-quarter improvement.

The number of companies fearing they will do worse over the coming three months remains unchanged from the March level of 16 per cent.

Roughly 30 per cent now expect increased export sales and

## Communists in France oppose direct elections

The French Communist Party today denounced the Brussels Agreement for direct elections to the European Parliament in 1978 as opening the door to political domination of Europe by West Germany, reports Reuters from Paris.

The direct election of the European Parliament was aimed at giving it more powers, the French Party's political bureau said in a statement published today by its daily paper L'Humanité.

'French and multi-national capitalism need this democratic alibi to mask the failure of the Common Market and, try to impose joint austerity policies.'

The European community was already dominated by West German financial and economic power, it said.

## Polish trial

Seven workers from the Ursus tractor factory go on trial today charged with damaging State property during last month's nationwide protests against Government plans for massive food price increases, reports Reuters from Warsaw.

An official said tickets to attend the trial had already been distributed, which means that Western correspondents will be unable to attend.

## Swedish move

Sweden yesterday urged negotiations at the 30-Nation Disarmament Conference in Geneva to launch what it called a 'forceful' offensive next year for a treaty banning chemical warfare, reports Reuters.

Gustaf Hamilton called for compilation of statistics and said that next year, the negotiators should 'launch a forceful offensive against chemical weapons.'

## malrik nally rives in e West

Michael Van Os

AMSTERDAM, July 15.

DENT Soviet Historian writer Andrei Amalrik at the airport here morning accompanied by wife Gluzel, after finally arriving from the Soviet

said at a Press conference he hoped to return in a of years, but that hope product of his feelings than his brain. He would if the Soviet regime to become more tolerant high was also possible—country were thrown a state of anarchy and

Amalrik, 37, who has five years in a labour and exile in Siberia after an essay called 'will Soviet Union Survive Until' has been invited to by the Utrecht University to complete certain history

stioned by nearly 100 national Pressmen about upments in the Soviet

he said that although system appeared to be there were two 'very siling' developments. was a tendency to a Czech-like liberalisation. But at the same time, was a hardening of the e with nationalism being to a kind of national gy, calling itself ism though more like the German National

ism. said the authorities were of these tendencies and to balance them. In they were supported by Vest's general and econo- mists.

warned that now the had become tired of the nation within the Soviet, the latter was 'cun- ing pill which did not the problems. The Soviet was in a period of transi- but the West's indulgence is only hindered the ss of democratisation. added that he would be nding his work in the and also to make the eratic movement in the t Union and other general opments there better.

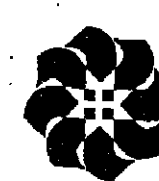
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## OVERSEAS NEWS

## Fresh quake as Indonesia mounts big relief plan

JAKARTA, July 15. THE NORMALLY idyllic island of Bali today counted its dead and assessed the damage after four earthquakes rocked densely populated areas last night. The death toll was estimated at more than 50, with several hundred injured, but local officials stressed that both figures could rise as reports came in from outlying areas of the Indonesian island.

The worst-hit areas were Buleleng on the north coast, Jembrana in the south-west, Bangli in the southeast and Tabanan in the south. Tabanan is only 15 miles from Bali's capital, Denpasar.

The evening paper Sinar Harapan reported that local officials in Buleleng had reported 39 people killed and 360 injured, while in Jembrana 13 were killed and 150 injured.

The biggest quake, which measured 5.6 on the Richter scale, brought down telegraph poles and sent high-tension electric lines crashing down on other, causing power blackouts.

First reports indicated that the main tourist centres of Kuta and Sawur, in the south of the 75 mile long island, had largely escaped damage.

Telephone lines to Bali from

Jakarta were blocked all day. In other parts of the holiday island, thousands of houses, many of sturdy brick and stone construction, were reported destroyed or cracked, while in Tabanan the wall of the local market and a brand new cinema collapsed.

Indonesia's news agency said the provincial government has issued a warning for all islanders to remain alert for possible further quakes.

According to Sinar Harapan, last night's quakes were at least as powerful as the tremor which shook the lush island when Gunung Agung, a 10,473-foot volcano erupted in 1961.

They were the third major series of quakes to rock Indonesia in the past few weeks. On June 22, a quake measuring 6.1 on the Richter scale shook the northern tip of Sumatra.

Earlier this month, a quake measured at 7.1 brought tons of earth and rubble down on stone age villages in the New Guinea province of Irian Jaya, burying an estimated 5,000 people.

Meteorological officials said the quakes appeared to be unrelated.

• The Indonesian Government is

## Malaysian troops in clash with guerillas

Malaysian troops scored one of their biggest successes against the Communists in recent years when they killed six guerillas in a fierce engagement yesterday in the Gubir jungles in Kedah State, half a mile from the Thai border, our Kuala Lumpur correspondent writes. A member of the Malaysian security forces was killed. Follow-up operations are in progress.

The six Communists killed are believed to be part of a much bigger group of guerillas who were first sighted in the Gubir area three months ago.

In a major operation against the guerillas in April, Malaysian troops lost 11 of their men when the guerillas shot down a helicopter.

The Gubir operations, which involved Malaysian jets striking suspected Communist hideouts in Thai territory, also sparked off demonstrations by Thais in Bangkok, which led to the subsequent Bangkok demand for the withdrawal of Malaysian police troops from southern Thailand.

**S. Africa shooting**

A South African Government official was killed and another seriously injured yesterday when two black gunmen walked into a Johannesburg restaurant, Reuters reports.

The non-kill of Iran's economy grew 17.7 per cent, in the year ended March 20, Central Bank Governor Hassan Ali Mehran said yesterday. Reuters reports from Tehran. He said the industrial sector grew 21 per cent, and the construction sector 37 per cent.

**Games cost**

The cost of the 1982 Commonwealth Games, formally awarded to Brisbane on Tuesday, has been estimated at \$429m-\$470m, the Lord Mayor of Brisbane said yesterday. Reuters reports.

**Kenya's flee**

The official Kenya news agency said yesterday that 200 more Kenyans had fled from neighbouring Uganda and had described new killings of their countrymen there. Reuters reports from Nairobi.

**East Timor link**

The Indonesian Parliament passed a Bill yesterday to make the former Portuguese colony of East Timor part of Indonesia. Reuters reports from Jakarta. The territory will officially become Indonesia's 27th province.

## ON OTHER PAGES

International Company News:  
Hutch mixed results  
ICI funds doubled  
Keppel - 25m loan  
Farming and Raw Materials:  
Brazil soy exports  
EEC dairy surplus

## New moves to end fighting in Lebanon

BY OUR FOREIGN STAFF

NEW political moves were afoot last night to end the fighting in Lebanon and get the warring parties to start talks. The reports were confused and, apparently contradictory.

From Left-wing Muslim sources in Beirut it was reported that a Syrian blueprint for ending the confrontation between Damascus and the Palestinians and getting the warring factions in the Lebanon to start negotiations had been hammered out in the Syrian capital.

Mr. Yasser Arafat, chairman

of the Palestine Liberation Organisation, had reportedly accepted to meet to-day in Damascus with President Assad of Syria.

The Syrian blueprint provides for the withdrawal of Syrian troops from certain key areas in the Lebanon. Reports of the Syrian plan follow any suggestion that heavy pressure has been placed on Damascus by the Soviet Union to bring about a reconciliation between the Syrians and the Palestinians.

From Jounieh, provisional

capital of the right-wing Christian enclave, sources claimed that a separate agreement had been reached between the Syrians and the Christian forces to "passively and peacefully" Lebanon before the end of the year.

The sources claimed that a delegation which had just returned to Jounieh after high-level talks at Damascus had agreed with the Syrians that, although the Palestinian presence in Lebanon was to be confirmed, the Syrians would not guarantee the Palestinians an expanded role.

The sources claimed that the agreement implied a readiness by the Syrians to conquer militarily 80 per cent of Lebanese territory, bringing the Palestinians under direction of Damascus, and conceding that 20 per cent of Lebanese territory would remain "rebel territory."

In London a senior Syrian official claimed, Syrian troops have pulled out of Sidon, Tripoli and Beirut. Syrian troops would only withdraw from Lebanon altogether when all parties requested them to do so.

## Syria puts forward blueprint for peace and invites PLO for talks

BY HAN HJAZI

WHAT HAS been described as a Syrian blueprint for ending the confrontation with the Palestinian guerilla movement and getting the parties concerned in the Lebanon conflict to begin negotiations to solve the crisis was published to-day.

Commando and Lebanese Left-wing leaders were meeting to consider whether an invitation to Mr. Yasser Arafat, the chairman of the Palestine Liberation Organisation, from Syrian President Hafez al-Assad to visit Damascus should be accepted.

The reported blueprint and the invitation were carried here by major Abdel Salam Jalloud, a Libyan Premier who has been mediating in the Syrian-Palestinian dispute for over a month.

According to the Left-wing Press to-day, Major Jalloud has advised the guerilla movement to "turn a new page with Syria."

As a goodwill gesture Syria has withdrawn its 4,000 troops that were stationed in the hills east of the southern port of

Sidon yesterday. They have moved to the Jizzin region in the south-east.

Palestinian sources have reported that the guerillas also intend to withdraw of Syrian troops stationed at the mountain resort of Sofar 13 miles east of Beirut before they will consider sending a delegation to Damascus.

Major Jalloud was reported to have urged Mr. Arafat to accompany him to Damascus to-morrow for a "summit conference" with President Assad.

The Syrian blueprint was published on the front-page of As Saif, the daily newspaper which is known to have Libyan connections. It provides for Syrian withdrawal from south Lebanon and from the Bekaa Valley, camps in the area.

but total evacuation from Lebanon will have to await complete Lebanese national reconciliation and resumption by the Lebanese State institutions of their functions.

Under the plan, the paper added, Syria said that only after

the proposed Syrian-Palestinian meeting takes place will Damascus seek to bring about an effective ceasefire.

For while contacts to start negotiations are underway, the Palestinians and left-wingers remain under mounting military pressure from right-wing and Syrian forces, the Right-wing Press to-day said.

Tel al Zaatar camp in Beirut, and were reported to be planning an offensive against the combined Palestinian-Left forces at the town of Aintourah.

Right-wing radio broadcasts claimed to-day that they have moved as close as one mile from the Muslim port of Tripoli in the north, while Syrian forces were besieging two Palestinian camps in the area.

The Syrian plan states, according to As Saif, that once a ceasefire is reached, the proposed round-table conference by the Lebanese leaders can be held. The conference will be headed by President-elect Elias Sarkis or even the Palestinian Commando movement.

## Official says only 13 Syrian soldiers killed

BY OUR FOREIGN STAFF

A SENIOR Syrian official said in London yesterday that despite the intensity of the fighting in Lebanon, Syrian forces had suffered only 13 deaths since they entered the country. Syrian forces were under orders not to shoot even if fired upon, he said.

Dr. Fawaz Sayagh, a senior member of national (par-Arab) command of the ruling Baath Party, said that six or seven Syrian troops had been killed at Sidon last month, when about 20 men were captured. Palestinian forces captured six to seven Syrian tanks. And six or seven Syrian troops had been killed in other parts of Lebanon, he added.

According to Dr. Sayagh, who is visiting Britain to meet senior Government officials and politicians, Syria's objective in Lebanon remained the preservation of the unity of the Lebanese state as well as the preservation of a Palestinian presence there and freedom of action under the Cairo agreements.

Syria, he said, wanted to direct the Palestinians towards their original objective, to destroy the Syria, he added, would withdraw

## 'Assad to help right-wing reunify Lebanon'-claim

BY MICHAEL TINGAY

JOUNIEH, July 15.

SYRIA HAS agreed to support a plan to pacify and reunify Lebanon on behalf of the right-wing Christian forces, a senior member of the Lebanese Front claimed here to-day.

A delegation of the Lebanese Front has just returned from Damascus after talks with President Hafez Assad and other top officials. The delegation included National Liberal parties as well as Mr. Lucien Dahdah, who is close to President Suleiman Frangieh.

The Lebanese Front presented a paper to President Assad outlining the position of the Christian right wing, the source said. The two main points were:

(1) The need for re-unification of territory of "legitimate Lebanon."

(2) Acceptance of a Palestinian presence in Lebanon if agreement can be reached with the Palestinian Liberation Organisation.

President Assad accepted the two points with all their implications, the source said.

Re-unification implied a readiness to conquer militarily 80 per cent of Lebanese territory, obviously with the full help of the Syrian army, the source claimed. The Christian leaders hope to extend what they consider legitimate rule to the Bekaa valley (now occupied by Syria), the northern region excluding the left wing and Palestinian held Tripoli. More Lebanon and the south (excluding Sidon and Tyre). "We will consider the remaining 20 per cent as rebel territory" said the source.

## Sino-Japanese relations tense

BY CHARLES SMITH

TOKYO, July 15.

THE JAPANESE Government leader of the U.S. Senate appeared to be doing his best to-day to dampen the effect of his statement in which his Foreign Minister, Mr. Kiichi Miyazawa, implied that Japan would not welcome a too-rapid normalisation of U.S.-China relations.

The statement came in the course of a conversation on Monday between Mr. Miyazawa and Senator Mike Mansfield, the Miyazawa did not explicitly men-

tioned normalisation. His answer to Senator Mansfield's question was that "any sudden disturbance of the existing situation in Asia" would be undesirable.

Japan is ready to make reassuring noises to both China and the U.S. if asked about the Miyazawa statement. In the meantime, however, it is already beginning to get the first adverse Chinese reactions to an earlier statement by the Foreign Minister which implied that Japan was embarrassed by excessive Chinese support for its territorial claim against the Soviet Union (involving four small islands to the north of Hokkaido).

## Fraser to meet Queen

BY KENNETH RANDALL

CANBERRA, July 15.

THE AUSTRALIAN Prime Minister, Mr. Malcolm Fraser, is advancing his planned visit to North America, starting next week, by four days for a meeting in Montreal with the Queen.

Mr. Fraser's office said to-day that the meeting had been arranged by telephone last night at the request of officials with the Royal Party in Canada.

Announcement of the change had started widespread speculation in the Australian Press that the Palace is concerned about security and other aspects of the Queen's planned visit to Australia early next year because of continuing demonstrations, some of them violent, against the Governor-General, Sir John Kerr.

Sir John's action in dismissing the Whitlam Labour Government last November and insisting on general elections which returned Mr. Fraser's government is still bitterly resented by large sections of the Labour Party. An organisation calling itself SACK (for social for asserting the Constitution over Kerr) has also gained extensive publicity with a campaign of vilified ridicule of the Governor-General.

## Corporación Nacional del Cobre de Chile (CODELCO-CHILE)

## Invitation for prequalification of bidders for the following projects:

## 1. SALVADOR DIVISION—BARQUITO POWER PLANT

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B. Equipment and materials for the installation of a boiler to recover heat from the 23.45 MW gas turbine in operation at the thermo-electric plant.

## 2. EL TENIENTE DIVISION—UNDERGROUND CRUSHING PLANT

Equipment and materials for a new 30,000 tpd crushing facility at its copper mine located 63 km northeast of Rancagua to assure continuous future mine production. The installation consists of two ore dumping stations located at different levels with ore-passes supplying the crushing plant below, from which ore-passes discharge to loading station located on the main level. The project also provides for modes of access to the new installations, for ventilating systems and electrical power supply equipment. Items required for the installation include:

(1) Haulage equipment: 33 ton electric locomotives, 10 and 25 ton ore cars, and railroad and dumping station accessories.

(2) Crushing Plant equipment (excluding crusher): apron feeders, bridge cranes and monorails, dust collecting and ventilation systems, centralized control unit (closed circuit TV), fire extinguishing equipment and ore-pass level control systems.

(3) Construction equipment: concrete batching plant, conveyance and placing equipment and rock bolting equipment.

(4) Electrical equipment: distribution centres, sub-stations: circuit breakers, motor control centres, motor starters, armoured cable, electrical fittings, electric trolley and railway signal systems; and iron-clad telephones.

Acquisition of equipment and engineering services required for these projects will be financed through credit approved by the International Bank for Reconstruction and Development (World Bank) and suppliers must be located in Bank member countries and Switzerland.

Vendors interested in participating in this international bidding under World Bank guidelines may apply in writing to: Purchasing Executive Vice President of CODELCO-CHILE, Morandé 239, 9 Piso, Santiago, Chile. Phone 62401. Telex CUPRU-CL 40672-40673 before July 30, 1976.

All correspondence should be in Spanish and English, and CODELCO-CHILE reserves the right to verify all statements and inspect suppliers' facilities to establish their capabilities and may reject any supplier without explanation.

Vendors who may apply for prequalification to participate in bidding for these Projects are required to include with their application information such as: financial status, names and addresses of representatives in Chile (if any), experience in design and for manufacture of equipment installations or equipment, engineering personnel and/or plant capacity, equipment deliveries, and catalogue or other documents concerning services or equipment.

CODELCO-CHILE



Replies should be mailed in time to arrive in CODELCO-CHILE before July 30, 1976.

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## RUMIANCA

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## OPERATING YEAR 1975

The Chairman of the Company, Nello Celio, paid a moving tribute to the memory of Dr. Renato Gualino during the annual shareholders' meeting. Born in 1912, Dr. Gualino entered the service of the Company on September 1st, 1935 and subsequently moved up through its ranks to become Managing Director on March 12, 1962 and Chairman of the Board in June 1964.

The meeting rose to its feet to hear the Chairman's words. Several shareholders also recalled Dr. Gualino's work during the subsequent proceedings.

Mr. Celio illustrated the progress made by the Rumianca Group during 1975 and stated that its two medium-term objectives were:

- to complete and bring into operation the new installations at Cagliari, particularly the steam cracker and its ancillary plants;
- to reorganise the Pieve Vergonte and Avenza factories, particularly with a view to the new production of fine chemicals and agricultural compounds.

In spite of a host of difficulties and unforeseeable problems, these objectives now seem to lie on a much closer horizon than in the past. The start-up of the new acrylonitrile plant is a matter of days. This first step will be followed by the start-up of the caustic Soda-chlorine, dichloroethane, and vinyl chloride monomer and polymer plants within the next twelve months. Both the high-pressure polyethylene plant and the cracker should be in production in the course of 1977.

The basic problem that must continue to be faced is that of financing such complex and expensive projects as these at a time of rampant inflation.

The year ended on 31 December 1975 saw a trading loss for Rumianca itself of 944,739,452 lire after the allocation of 5,400 million lire for depreciation as against the trading profit of 948 million lire (depreciation approximately 6,000 million lire) in 1974.

The Company's turnover for 1975 was 100,900 million lire, as opposed to 119,500 million lire in 1974. Exports amounted to about 31% at 31,400 million lire.

This fall in turnover was due both to reduced prices and a drop in sales.

The overall turnover figure includes, as in the case of 1973 and 1974, sales made by Rumianca on behalf of Rumianca Sud. These amounted to 66,100 million lire.

The trading loss for 1975 constitutes 0.53% of the Company's turnover.

The balance sheet shows that the Company's means and those of third parties (medium- and long-term) are:

- 98% of the fixed technical and financial assets
- 55% of the total assets

The new investments in the Pieve Vergonte, Avenza and Borgaro Torinese plants amount to 2,300 million lire.

A total of 1,400 million lire, or 1.36% of the turnover, was devoted to research during 1975. This has naturally led to the acquisition of a considerable amount of know-how.

The Chairman's review of the progress of the Group's controlled and associated companies underscored the considerable technical and financial efforts behind the completion by Rumianca Sud of its new installations. This has involved an expenditure running into hundreds of thousands of millions Lira. The Group has a 98.35% equity in this company.

At the beginning of 1975, the new jetty linked to the coastal tank-farm for petroleum and chemical products was brought into operation. This imposing structure runs out to sea for over a kilometre and a half.

Rumianca Sud finished the year with a profit of 5,000 million lire on 30 June 1975 (5,200 million in 1974). A total of 6,400 million lire was set aside for depreciation (9,800 million in 1974). Prices saw-sawed during 1975. During the first six months, resin prices moved slowly downwards, while chemical products remained firm. This position was reversed during the second half of the year.

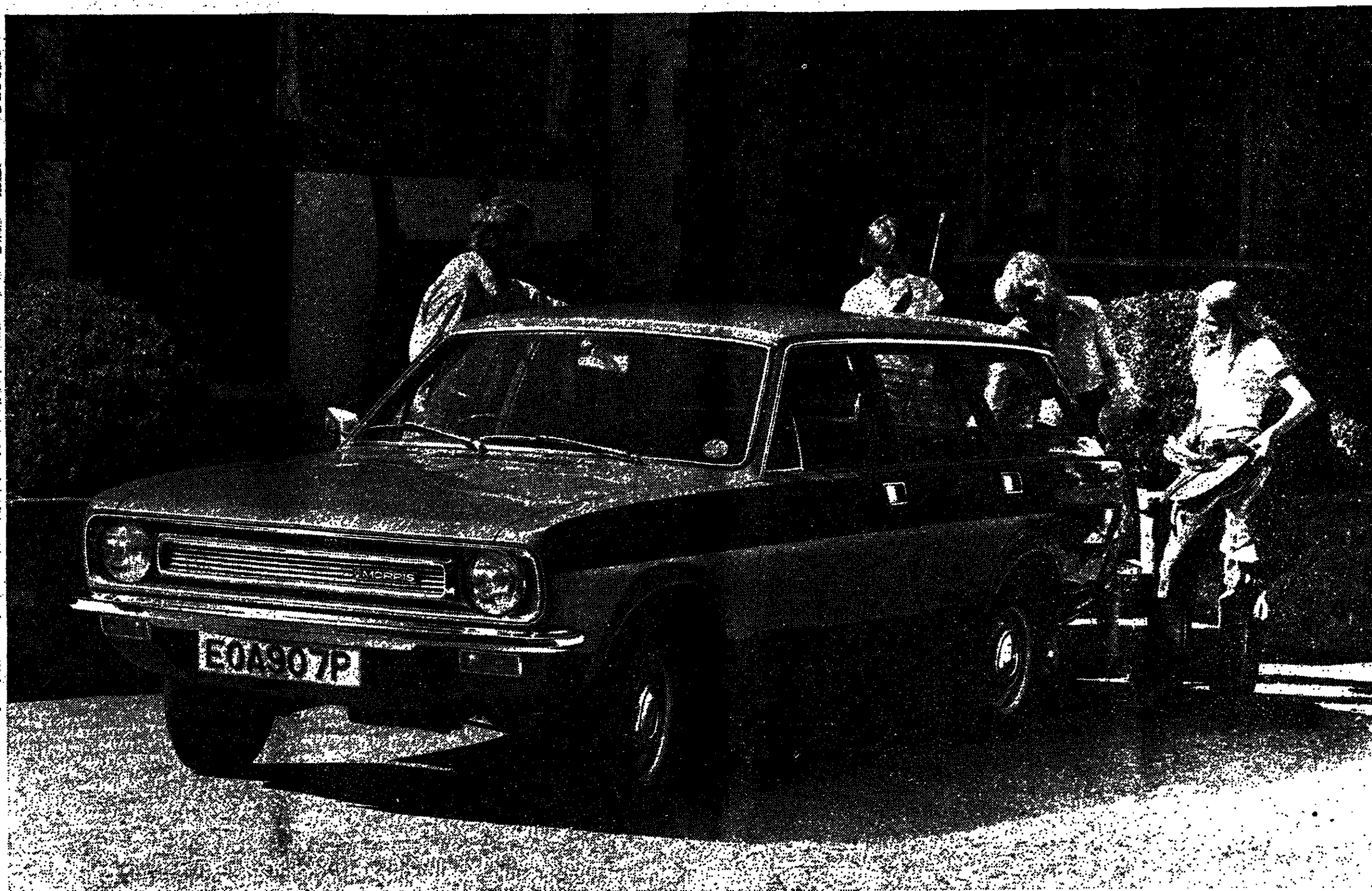
Production figures (including intermediates) fell by 5,000 tonnes to 473,000 tonnes compared with 1974, thus maintaining the slight downward trend of 1.1%.

The meeting approved Rumianca's Balance Sheet and Profit and Loss Account for the financial year 1975. As already stated, these closed with a loss of 944,739,452 lire. This was met by appropriating the sum of 760,000,000 lire from the "retained income brought forward" account and 178,500,000 lire from the "special research risks cover fund".

In reply to questions put to him by the shareholders who spoke at the meeting, the Chairman gave an account of the Company's achievements during the current year. In his view, the prospects for 1976 as a whole were good.



# How to reduce the cost of running an Estate, without reducing the Estate.



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The price of the 1.3 is £2,124.72, which includes 'extras' like automatic front seat belts, and the full 12-month, any mileage protection of Supercover.

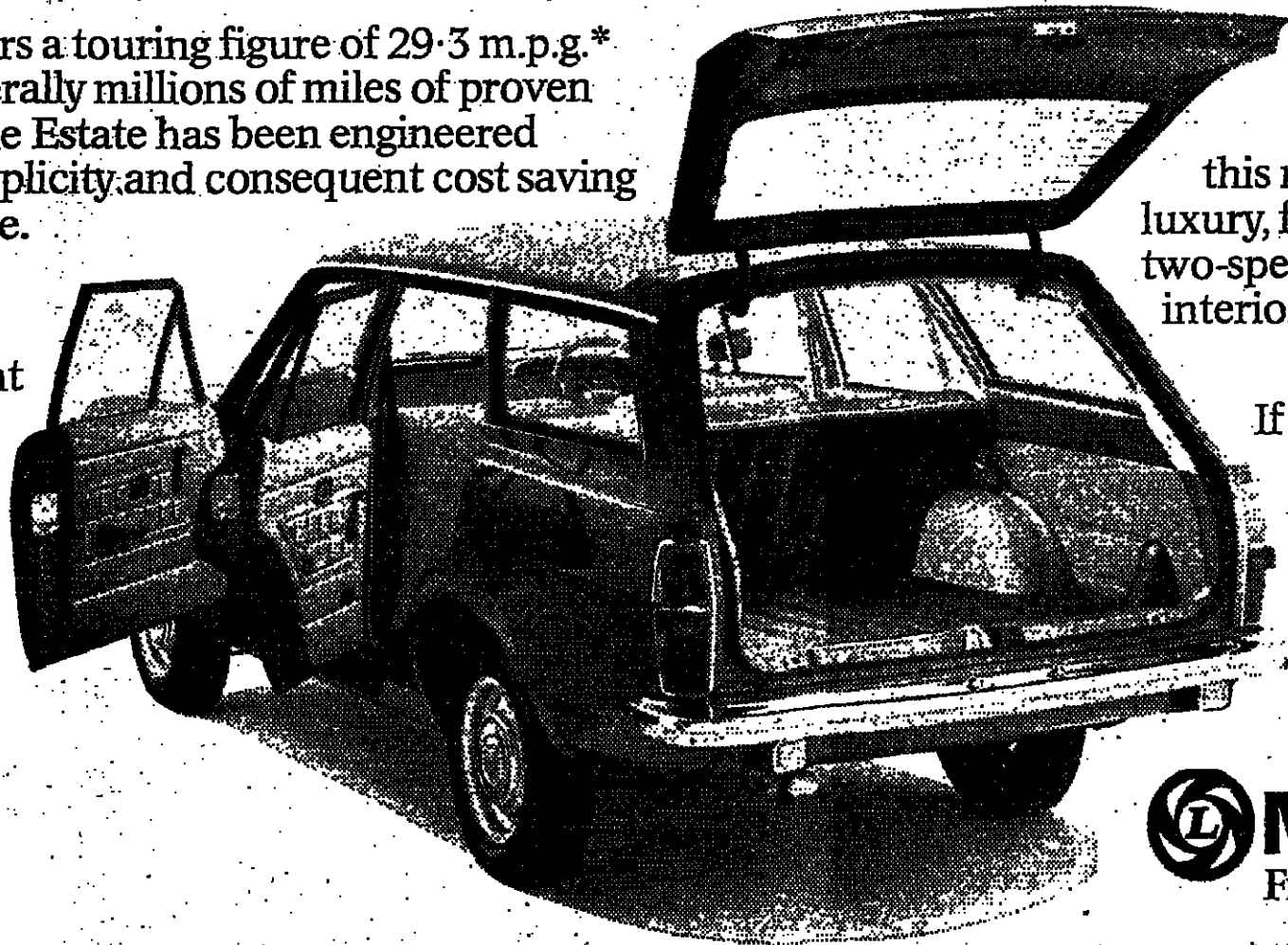
## The Space Angle.

The new 1.3 is a full 5-door Estate, with a seat-up luggage area of 3' 9½" wide and 3' 5" deep. Fold the rear seat down and the load length increases to 5' 2½". That's big enough to cope with anything up to a large deep freezer chest. The rear floor is flat with no high obstructing sill, and the rear counterbalanced door opens high and wide for easy access.

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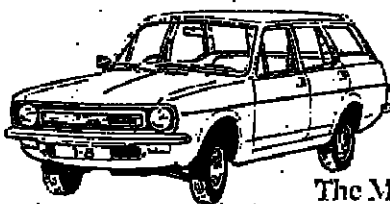


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## The Estates the others will have to beat.



The new Marina 1.3 Estate: £2124.72.



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\*The MPG figure is DIN calculated.



## HOME NEWS

## Government's £55m. for accelerated projects

BY ADRIAN HAMILTON

THE GOVERNMENT has now committed nearly half the £120m. available for its accelerated projects scheme and a further £102m. of the money available for industry aid to the ferrous foundry, machine tool and clothing sectors.

Revealing this in the footnote to an article by Mr. Eric Varley, Industry Secretary, today's Trade and Industry Journal says that £55m. has been offered or approved to help 63 projects under the accelerated scheme.

These projects, it adds, are expected to generate investment totalling nearly £400m. during the next five years and should also the balance of payments by nearly £200m. in 1978 and by around £300m. in 1980.

Another 146 applications are being considered for help with projects costing £563m.

In the meantime, £102.5m. has been offered to help 63 projects costing in all £47m. under the ferrous foundry scheme has aroused rapid interest while the machine tools scheme has done rather less well.

Despite the current expenditure review, the Industry Department is going ahead with preparation for schemes for printing machinery, non-ferrous foundries, textile machinery and poultry-meat processing and is also pressing for other schemes—although the Treasury's response to further sums is still uncertain.

Development of these schemes reflects the Industry Department's concern to concentrate resources on areas with the highest prospects.

Both types of scheme reflect the Government's move from blanket to selective assistance and the latest figures indicate the degree of success so far.

The accelerated projects scheme, although unlikely to be prolonged after it runs out this autumn, has been considered especially effective, and there seems little doubt that most, if not all, of the £120m. available will be committed.

Response to the industry aid schemes has been more varied. The ferrous foundry scheme has aroused rapid interest while the machine tools scheme has done rather less well.

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## Architecture finalists selected

THE THREE assessors for the Financial Times Industrial Architecture Award have selected five schemes as finalists. Each will be visited during the summer.

After 160 requests for entry forms, 66 entries have been received. The following are the five projects shortlisted:

1.—Old Hall, East Block Factory on Industrial Estate, Irvine, Ayrshire. Designer: Irvine Development Corporation.

2.—FATS Centre, Melbourne near Royston, Herts. Designers: Pano and Rogers, architects.

3.—Factory H.Q. for W. D. and H. O. Wills, Bristol. Designers: Skidmore Owings and Merrill, architects of Chicago; Yorke Rosenberg and Marshall, architects, London.

4.—Warehouse and showroom for Habitat, Wallingford, Oxfordshire. Designers: Ahrends, Burton and Koralek, architects.

5.—Waste Reduction Unit, Coventry. Designer: H. Noble, City Architect, Coventry.

The three assessors are Sir Colin Anderson, Mr. H. T. Cadbury-Brown and Mr. Peter Falconer.

## Parcels centre costs £1m.

A NEW £1m. parcels and small freight distribution centre has been opened at Northampton by Roadline U.K., the former BRS parcels company.

The branch, with 146 staff, is one of the largest distribution centres in the Midlands. Its opening follows the recent completion of Roadline's Manchester depot, the biggest in Western Europe, and it joins a network of 75 branches covering the U.K.

## BANK RETURN

Wednesday July 14 1977 Inc. (+) or Dec. (-) for week

**BANKING DEPARTMENT**

LIABILITIES £ £

Current Accounts 1,000,000,000 + 1,000,000,000

Public Deposits 1,000,000,000 + 1,000,000,000

Special Deposits 1,000,000,000 + 1,000,000,000

Notes & Coins 1,000,000,000 + 1,000,000,000

Assets £ £

Govt. Securities 1,000,000,000 + 1,000,000,000

Advances & Other 1,000,000,000 + 1,000,000,000

LIABILITIES £ £

Notes Issued 1,000,000,000 + 1,000,000,000

In Circulation 1,000,000,000 + 1,000,000,000

Assets £ £

Govt. Debts 1,000,000,000 + 1,000,000,000

Other Govt. Secs. 1,000,000,000 + 1,000,000,000

Other Securities 1,000,000,000 + 1,000,000,000

LIABILITIES £ £

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In Circulation 1,000,000,000 + 1,000,000,000

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Govt. Debts 1,000,000,000 + 1,000,000,000

Other Govt. Secs. 1,000,000,000 + 1,000,000,000

Other Securities 1,000,000,000 + 1,000,000,000

## Big retail groups welcome new circular on stores

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

THERE WAS almost unanimous welcome from the large retail groups yesterday for the Department of Environment's proposed advice to local authorities on the development of large stores.

The new circular, which would, if adopted as policy, create a much more favourable atmosphere for developing large superstores, was greeted by the head of one supermarket group as the most positive sign yet to emerge from the Government that it regarded retailing as an important part of the economy.

The feeling was that if the revised policy is agreed, there will be a gradual relaxation in the planning authorities' attitude to grocery developments with a sales area of between 25,000 and 100,000 square feet.

Equally importantly, adoption would mean that when such developments go to appeal, the inspectors appointed by the Environment Department would have much more positive guidelines to follow than at present.

This could markedly reduce the time it now takes to clear applications for such developments, and significantly increase the number of superstores built in Britain over the next 10 years, particularly in the south of England where the opposition from planners has been strongest.

Fine Fare, the Associated British Foods supermarket subsidiary, yesterday was a "breath of fresh air" which showed that the would now consider stepping up its investment programme as a result of the new note.

Britain has about 100 grocery stores with sales areas of over 25,000 square feet. Applications having been turned down at the rate of about nine in ten, development of such stores has lagged a long way behind that of Europe.

Mr. Ian MacLaurin, managing director of Tesco, said the new note was a "breath of fresh air" which showed that the would now consider stepping up its investment programme as a result of the new note.

Mr. John Sainsbury, chairman of J. Sainsbury, felt the draft note fell short of what was needed in some areas.

## Building societies' June receipts cut

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

BUILDING society receipts in June were the lowest for nearly this year's £50m. target of two years.

The high interest rates should have meant that ending last month reached a new record.

The latest set of monthly statistics from the Building Societies Association illustrates what the sudden change in fortunes of societies since they lowered their own interest rates and competitive rates took a sharp turn upwards.

Net receipts in June, a traditionally bad month for savings, fell to £131m. from £220m. in May. In February, receipts had reached their second highest figure of £376m.

At the same time, the societies advanced a record £553m. to home buyers, an increase of £33m. on May. The total of funds promised to prospective purchasers was at £568m, the second highest ever achieved in one month.

Mr. Norman Griggs, secretary-general of the association, emphasised that June was usually a poor month for savings and there were already signs that July would show an improvement. Societies could not, however, expect to continue to attract the volumes of money which were pouring in earlier this year when their competitive position was better.

It is now clear that, unless there is a significant improvement in the money market, societies will have to decide April whether next year's lending June

Net receipts advances

£m. £m.

January 312 425

February 354 400

March 376 497

April 331 527

May 225 520

June 131 553

## Hint of aid for Midlands from Common Market

BY OUR MIDLANDS CORRESPONDENT

THE EEC is studying whether possible new sources of funds to take account of new kinds of advancement is bound to raise expectations, despite a welcome phase of regional development policy.

George Thomson, EEC Regional Commissioner, said in Birmingham yesterday. The major source of funds for the region's capital, Birmingham, had come from the Common Agricultural Policy, which provided £127m. for the new wealth "in no doubt civilised and sophisticated ways," and too few students of technology.

## Consumer Council seeks metrication freeze

BY OUR CONSUMER AFFAIRS CORRESPONDENT

THE NATIONAL Consumer Council said yesterday that it would be prepared to give up its opposition to the Weights and Measures Bill if it received certain assurances from the Government.

The original Bill was withdrawn in March when the Government was faced with a possible revolt from its backbenchers.

Two months ago the legislation was reintroduced in the House of Commons.

The Electric Heating Bureau, whose formation was announced yesterday by the Association of Manufacturers of Domestic Electric Appliances, is heading the campaign.

The bureau's establishment came after two years in which, as fuel costs have soared and

retail trade's lobbying had not been in vain.

Mr. Aslett Moore, chairman of Carrefour, which operates three hypermarkets in Britain, welcomed the note as a sign that "at long last it was accepted that it was possible to build modern shops in this country."

Discussions over the draft advice would, he said, "open the debate up about big shops for the first time."

Mr. Moore, however, like most of the other supermarket leaders, had some reservations about the new note. The proposal that local authorities should have to notify the Environment Department only of applications to build stores with gross floor space over 100,000 square feet was, though an improvement on the existing procedure, "a typical piece of British compromise," he said.

The upper limit should be higher so as to give the consumers all the economies of scale available in operating large stores.

Mr. John Sainsbury, chairman of J. Sainsbury, felt the draft note fell short of what was needed in some areas.

## Six ways to raise output of construction industry

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

A SIX-POINT plan to help stimulate output in the construction industry without increasing public expenditure has been put forward by the Environment, by the National Federation of Building Trades Employers.

The federation is seeking an early meeting with the Minister to discuss its proposals and urge upon him the need for action.

The conviction within the industry is that, despite the optimistic things being said about economic prospects by the Confederation of British Industry and the Department of the Environment, the signs are that the recession in the building sector is likely to get still worse before it improves.

An estimated 300,000 building workers are unemployed and although this represents a fall of about 20,000 from the February 1976 peak, the total remains an unprecedented figure for the time of year. Builders believe that, in any case, the figure will rise again in the winter and when public expenditure cuts begin to bite.

Reducing unemployment is one of the aims of the six-point programme.

Top of the federation's action list is reform of company taxation, which the industry be-

lieves is necessary if it is to prosper in the future. The federation calls for urgent action given to overcoming the in planning procedures, it says, are worsening.

In addition, the builder to concentrate switch-phases from subsidised housing to owner occupation, which accounts for about 17 per cent. of all housing stock built in the last 10 years.

They are also continuing their total opposition to the spread of local authority labour departments, which claim are inefficient and to employers. On a wider scale, the industry calls on the Government to encourage that generate investment by duals and organisations, the sake of the country's stability.

## INVESTOR'S CHRONICLE

Mr. Andreas Whitlam, Smi editor of the Investors Chronicle, has said that Mr. Michael has been dismissed from editorial staff of the magazine following an inquiry into his social share dealings by the City of London Stock Exchange.

## Lloyd's premium income underwriting may rise

BY MARGARET REID

PREMIUM INCOME for insuring risks such as catastrophes to oil and chemical plants, and other factory damage, through Lloyd's is likely to increase substantially, according to Mr. Stephen Merrett, chairman of the recently merged underwriters Merrett Dixey Syndicates.

This is partly, he said, because disasters like the Flixborough chemical explosion had led to an increase in premiums for covering against that sort of danger, and partly because the British market was insuring more foreign risks of this nature.

The company, underwriting agents to one of the largest groups of Lloyd's syndicates, with 1,400 "names" backing its operations, acquired its present title after the amalgamation. It was disclosed in April that Mr. Merrett and associates paid £3m. to buy back the underwriting syndicate business his father, Mr. Roy Merrett, sold in 1962 for £500,000 to Landel Trust, later part of Shipping Industrial Holdings.

Merrett Dixey Syndicates, biggest group of Lloyd's underwriters not associated with brokers, has a total premium income of some £35m. a year, of which £20m.-£25m. is for marine business.

Mr. Stephen Merrett said he expected a marked rise in premium income on the marine side, which covers a range of large and industrial risks.

## ART GALLERY

AGNEW GALLERIES, 41 Old Bond Street, London W.1, are exhibiting "The Graphic Work of William Blake" from July 16 to August 1. Tickets: 10p, 20p, 30p, 40p, 50p, 60p, 70p, 80p, 90p, 1.00, 1.10, 1.20, 1.30, 1.40, 1.50, 1.60, 1.70, 1.80, 1.90, 2.00, 2.10, 2.20, 2.30, 2.40, 2.50, 2.60, 2.70, 2.80, 2.90, 3.00, 3.10, 3.20, 3.30, 3.40, 3.50, 3.60, 3.70, 3.80, 3.90, 4.00, 4.10, 4.20, 4.30, 4.40, 4.50, 4.60, 4.70, 4.80, 4.90, 5.00, 5.10, 5.20, 5.30, 5.40, 5.50, 5.60, 5.70, 5.80, 5.90, 6.00, 6.10, 6.20, 6.30, 6.40, 6.50, 6.60, 6.70, 6.80, 6.90, 7.00, 7.10, 7.20, 7.30, 7.40, 7.50, 7.60, 7.70, 7.80, 7.90, 8.00, 8.10, 8.20, 8.30, 8.40, 8.50, 8.60, 8.70, 8.80, 8.90, 9.00, 9.10, 9.20, 9.30, 9.40, 9.50, 9.60, 9.70, 9.80, 9.90, 10.00, 10.10, 10.20, 10.30, 10.40, 10.50, 10.60, 10.70, 10.80, 10.90, 11.00, 11.10, 11.20, 11.30, 11.40, 11.50, 11.60, 11.70, 11.80, 11.90, 12.00, 12.10, 12.20, 12.30, 12.40, 12.50, 12.60, 12.70, 12.80, 12.90, 13.00, 13.10, 13.20, 13.30, 13.40, 13.50, 13.60, 13.70, 13.80, 13.90, 14.00, 14.10, 14.20, 14.30, 14.40, 14.50, 14.60, 14.70, 14.80, 14.90, 15.00, 15.10, 15.20, 15.30, 15.40, 15.50, 15.60, 15.70, 15.80, 15.90, 16.00, 16.10, 16.20, 16.30, 16.40, 16.50, 16.60, 16.70, 16.80, 16.90, 17.00, 17.10, 17.20, 17.30, 17.40, 17.50, 17.60, 17.70, 17.80, 17.90, 18.00, 18.10, 18.20, 18.30, 18.40, 18.50, 18.60, 18.70, 18.80, 18.90, 19.00, 19.10, 19.20, 19.30, 19.40, 19.50, 19.60, 19.70, 19.80, 19.90, 20.00, 20.10, 20.20, 20.30, 20.40, 20.50, 20.60, 20.70, 20.80, 20.90, 21.00, 21.10, 21.20, 21.30, 21.40, 21.50, 21.60, 21.70, 21.80, 21.90, 22.00, 22.10, 22.20, 22.30, 22.40, 22.50, 22.60, 22.70, 22.80, 22.90, 23.00, 23.10, 23.20, 23.30, 23.40, 23.50, 23.60, 23.70, 23.80, 23.90, 24.00, 24.10, 24.20, 24.30, 24.40, 24.50, 24.60, 24.70, 24.80, 24.90, 25.00, 25.10, 25.20, 25.30, 25.40, 25.50, 25.60, 25.70, 25.80, 25.90, 26.00, 26.10, 26.20, 26.30, 26.40, 26.50, 26.60, 26.70, 26.80, 26.90, 27.00, 27.10, 27.20, 27.30, 27.40, 27.50, 27.60, 27.70, 27.80, 27.90, 28.00, 28.10, 28.20, 28.30, 28.40, 28.50, 28.60, 28.70, 28.80, 28.90, 29.00, 29.10, 29.20, 29.30, 29.40, 29.50, 29.60, 29.70, 29.80, 29.90, 30.00, 30.10, 30.20, 30.30, 30.40, 30.50, 30.60, 30.70, 30.80, 30.90, 31.00, 31.10, 31.20, 31.30, 31.40, 31.50, 31.60, 31.70, 31.80, 31.90, 32.00, 32.10, 32.20, 32.30, 32.40, 32.50, 32.60, 32.70, 32.80, 32.90, 33.00, 33.10, 33.20, 33.30, 33.40, 33.50, 33.60, 33.70, 33.80, 33.90, 34.00, 34.10, 34.20, 34.30, 34.40, 34.50, 34.60, 34.70, 34.80, 34.90, 35.00, 35.10, 35.20, 35.30, 35.40, 35.50, 35.60, 35.70, 35.80, 35.90, 36.00, 36.10, 36.20, 36.30, 36.40, 36.50, 36.60, 36.70, 36.80, 36.90, 37.00, 37.10, 37.20, 37.30, 37.40, 37.50, 37.60, 37.70, 37.80, 37.90, 38.00, 38.10, 38.20, 38.30, 38.40, 38.50, 38.60, 38.70, 38.80, 38.90, 39.00, 39.10, 39.20, 39.30, 39.40, 39.50, 39.60, 39.70, 39.80, 39.90, 40.00, 40.10, 40.20, 40.30, 40.40, 40.50, 40.60, 40.70, 40.80, 40.90, 41.00, 41.10, 41.20, 41.30, 41.40, 41.50, 41.60, 41.70, 41.80, 41.90, 42.00, 42.10, 42.20, 42.30, 42.40, 42.50, 42.60, 42.70, 42.80, 42.90, 43.00, 43.10, 43.20, 43.30, 43.40, 43.50, 43.60, 43.70, 43.80, 43.90, 44.00, 44.10, 44.20, 44.30, 44.40, 44.50, 44.60, 44.70, 44.80, 44.90, 45.00, 45.10, 45.20, 45.30, 45.40, 45.50, 45.60, 45.70, 45.80, 45.90, 46.00, 46.10, 46.20, 46.30, 46.40, 46.50, 46.60, 46.70, 46.80, 46.90, 47.00, 47.10, 47.20, 47.30, 47.40, 47.50, 47.60, 47.70, 47.80, 47.90, 48.00, 48.10, 48.20, 48



## HOME NEWS

## Unard bows out of £55m. bid for MFC ships

IN WYLES, SHIPPING CORRESPONDENT

Steam Ship Company's bid for 16 Maritime Fruit ships was summarily rejected last night after its bid was found to be unworkable by the Israeli-American group.

The bid, which was registered with the U.K. flag and Cunard's bid, was found to be unworkable because of the company's inability to obtain the necessary licences to operate the ships.

The bid was made by Mr. Victor Cunard, chairman of Cunard, and was found to be unworkable because of the company's inability to obtain the necessary licences to operate the ships.

## K. steel output 16.4% in June

RIAN HAMILTON

A disappointing drop in output in June, the trend of production, according to the latest figures from the British Steel Corporation, has put the industry's performance in a difficult position.

The output in June was 1,350,000 tonnes, a 16.4% increase on the output of 1,160,000 tonnes in May. This was a disappointing result, given the fact that the industry had been expected to show a similar increase.

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## Cost of nuclear plant up by 60-115%

AVID FISHLOCK, SCIENCE EDITOR

POWER plant costs in the world-wide nuclear industry have risen by 60-115% in real terms in the last five years, according to a survey by the International Energy Agency.

The survey, which is the first of its kind, shows that the cost of nuclear power plants has risen by 60-115% in real terms in the last five years. This is a significant increase, given the fact that the cost of other types of power plants has remained relatively stable.

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## Defence Ministry fights cuts

CHAE DONNE, DEFENCE CORRESPONDENT

DEFENCE Ministry has effectively begun its fight against the cuts in the British Atlantic Command. The cuts, which are part of a larger programme of defence cuts, are being fought by the Ministry of Defence.

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## Rrard to spend £10m. modernisation

RNE BARLING

THE record turntable, which is being used by the record industry, is being modernised at a cost of £10m. The modernisation is being carried out by the record industry.

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## Bid to reduce export credit load

BY MICHAEL BLANDEN AND ADRIAN HAMILTON

THE GOVERNMENT is pressing the clearing banks to take a larger share of export finance as part of its efforts to cut the public sector borrowing.

The Government is proposing that the clearing banks should take a larger share of export finance. This is part of a larger programme of measures to reduce the public sector borrowing.

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## Petroleum Revenue Tax 'too blunt for its aims'

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE GOVERNMENT'S main tax weapon for North Sea oil, the Petroleum Revenue Tax, will fail in its two main aims of preventing companies making excessive profits and assisting the development of marginal fields.

The Petroleum Revenue Tax, which was introduced in 1975, is being criticised by industry experts. They argue that the tax is too blunt for its aims and that it will fail to achieve its objectives.

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## THE ROYAL COMMISSION ON STANDARDS OF CONDUCT IN PUBLIC LIFE

## Tougher anti-corruption law urged

BY KEVIN DONE

THE ROYAL Commission on Standards of Conduct in Public Life, set up more than 18 months ago in the wake of the Poulson affair, has today published its report. The report, which is the first of its kind, calls for tougher anti-corruption laws.

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## Penalty

The power to order the surrender of corrupt "gifts" should be extended to cover all cases, the report says. The report also calls for a maximum penalty of seven years' jail and an unlimited fine, and on summary conviction, six months and £400 fine.

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## NEWS ANALYSIS — TELEVISION TUBES

## Industry under siege

BY LORNE BARLING

THE U.K. consumer electronics industry, which fears for its long-term survival, is under siege from Far Eastern imports, with Japan leading the assault. The industry is being hit by a combination of factors, including a decline in demand and a surge in imports.

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## Exports shared by less companies

FEWER COMPANIES are accounted for a higher proportion of British exports, according to statistics published today in the Department of Trade and Industry's journal.

The statistics show that the number of companies accounting for a significant share of British exports has fallen. This is a worrying trend for the industry, as it suggests that the market is becoming more concentrated.

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## THE ROYAL COMMISSION ON STANDARDS OF CONDUCT IN PUBLIC LIFE

## Tougher anti-corruption law urged

THE ROYAL Commission on Standards of Conduct in Public Life, set up more than 18 months ago in the wake of the Poulson affair, has today published its report. The report, which is the first of its kind, calls for tougher anti-corruption laws.

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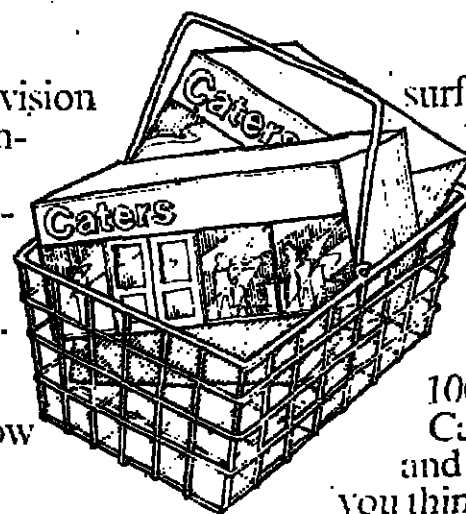
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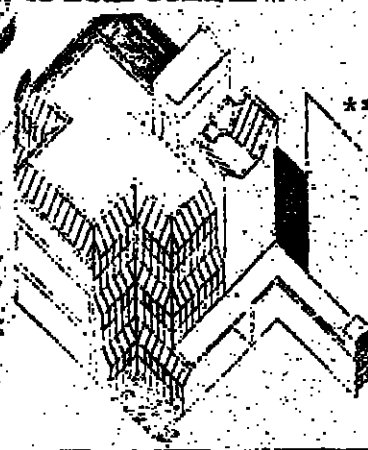
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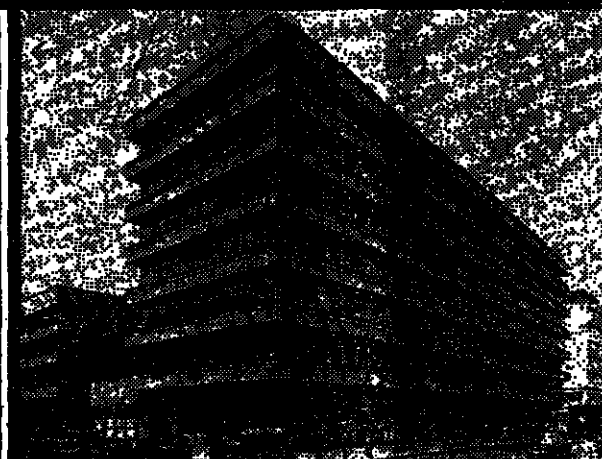
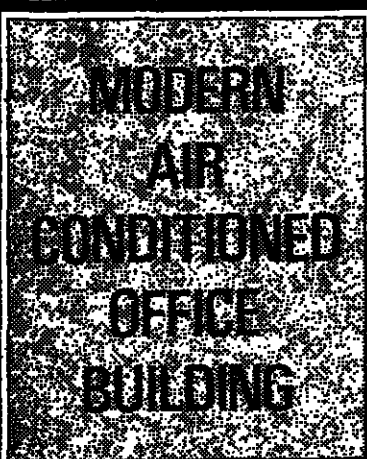


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## Property Market Indicators

● A quarterly poll by the Royal Institution of Chartered Surveyors

RICS member firms and investing institutions rate investment yields, capital values in all regions were judged if there was a movement activity for different changes rising (R), static (S) or falling (F) trend in commercial and industrial property.

AREAS		LON. CITY	WEST END	REST GLC	SE (EX-LON.)	N	EAST ANGLIA	YORKS & HUMBER	EAST MIDS.	WEST MIDS.	SW	SCOT.	WALES
Compared with 3-months ago:													
QUESTION 1													
What is the trend of rents?													
(a) Offices	R	18	17	—	—	11	—	20	—	—	—	—	—
	S	82	78	87	74	89	90	80	87	78	95	71	108
	F	—	5	13	24	—	10	33	13	22	—	—	—
(b) Prime Regional Shops	R	37	19	—	15	37	33	38	14	—	28	25	14
	S	63	81	100	85	50	66	67	86	89	72	75	86
	F	—	—	—	—	13	—	—	—	11	—	—	—
(c) Secondary Shops	R	13	—	—	—	—	—	13	—	—	22	—	—
	S	87	77	100	86	78	80	87	87	100	46	92	89
	F	—	23	—	14	22	28	33	—	13	11	—	—
(d) Modern Factories	R	33	25	20	5	—	25	18	11	27	14	45	10
	S	50	75	70	90	100	75	100	82	78	74	55	98
	F	17	—	10	5	—	—	—	11	9	10	—	—
(e) Modern Warehouses	R	33	25	40	14	10	42	29	11	34	10	42	10
	S	50	75	60	81	90	58	100	89	84	80	38	98
	F	17	—	—	5	—	—	—	—	—	10	—	—
QUESTION 2													
What is the trend of investment yields?													
(a) Offices	R	33	22	14	5	22	10	—	15	40	33	20	8
	S	67	78	86	95	78	90	100	85	40	54	80	92
	F	—	—	—	—	—	—	—	—	—	—	—	—
(b) Prime Regional Shops	R	29	19	14	6	13	22	—	17	17	11	25	8
	S	71	81	86	94	74	78	100	83	83	78	69	92
	F	—	—	—	—	—	—	—	—	—	—	—	—
(c) Secondary Shops	R	43	62	63	79	67	50	17	77	67	16	70	73
	S	57	38	37	21	33	50	83	23	33	20	18	27
	F	—	—	—	—	—	—	—	—	—	—	—	—
(d) Modern Factories	R	40	30	—	5	56	42	43	50	17	27	29	20
	S	60	70	100	95	44	58	57	50	83	73	71	80
	F	—	—	—	—	—	—	—	—	—	—	—	—
(e) Modern Warehouses	R	40	30	9	5	50	33	43	40	17	27	29	20
	S	60	70	91	95	50	67	57	60	83	73	71	80
	F	—	—	—	—	—	—	—	—	—	—	—	—
QUESTION 3													
What is the trend of capital values?													
(a) Offices	R	44	83	63	71	56	50	83	57	13	22	47	42
	S	34	17	37	24	44	50	17	43	74	67	53	38
	F	—	—	—	—	—	—	—	—	—	—	—	—
(b) Prime Regional Shops	R	71	94	71	70	74	56	83	67	57	44	72	58
	S	29	6	29	25	13	44	17	33	43	44	28	42
	F	—	—	—	5	13	—	—	—	12	—	—	29
(c) Secondary Shops	R	33	22	43	29	11	10	17	15	13	11	17	18
	S	67	64	57	62	78	80	50	85	74	67	66	56
	F	—	14	—	9	11	10	33	13	22	17	7	
(d) Modern Factories	R	75	75	80	59	30	25	29	31	25	55	35	34
	S	25	25	20	41	70	75	71	69	75	45	40	80
	F	—	—	—	—	—	—	—	—	—	5	—	—
(e) Modern Warehouses	R	75	71	90	64	36	42	29	47	25	55	32	50
	S	25	29	10	36	64	58	71	53	75	45	63	50
	F	—	—	—	—	—	—	—	—	—	5	—	—
(f) Industrial Land	R	67	37	89	61	22	17	14	7	13	27	37	25
	S	33	50	11	39	67	75	84	93	87	73	47	58
	F	—	13	—	—	11	8	—	—	—	16	17	—
QUESTION 4													
Activity in investment markets													
	R	83	67	80	95	55	58	86	59	38	55	81	71
	S	17	33	20	5	45	42	14	41	62	45	28	29
	F	—	—	—	—	—	—	—	—	—	—	—	—



# The Technical Page

BY ARTHUR BENNETT AND TED SCHROEDERS

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MR Manchester Council's order for a Ferranti-based area traffic control system brings the total of traffic control systems with Ferranti since 1974 to 22.

### Instant aid via the telephone

BP Oil will give a guarantee that the oil will be restored to its original standard and that the only additives used will be those specified by BP in the manufacture of the original product.

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## HEATING

### Fits in place of radiator

UNITS that need connection only to the existing central heating water flow and to an electrical supply and can replace conventional radiators to yield cooling or heating have been introduced by Siemens.

During summer months the circulating water is used as a coolant and in the winter for heating in the normal way. The changeover from heating to cooling is determined by the unit's manual control.

Called Sivent, the system has the advantage that in the cooling mode the heat extracted from rooms can be used for other services, say in a hotel, saving fuel.

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## ELECTRONICS

### Probes find the faults

LOGIC circuit fault-finding can be simplified and speeded up by using hand-held probes introduced by Hewlett Packard.

Model 547A locates low impedance faults on boards by tracing logic current pulses along the conductors.

Results that will show up in-circuit bridge shorts, shorted conductors in cables, shorts in voltage distribution networks, shorted integrated circuit inputs and outputs.

## MATERIALS

### Family of adhesives

ELEVEN newly developed adhesives have been introduced into the U.K. by Industrial Science, Leader House, Snargate Street, Dover, Kent (0304 202656).

These materials are collectively sold under the trade name "Strucalut", each grade catering for individual requirements.

There are duct sealants for sealing flanges and seams on steel, aluminium, copper, etc. and adhesives for export packaging to tropical climates.

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### Low costs with mini cyclone

CYCLONES are used to separate suspensions of particles of varying size into two portions with particle diameters greater or less than a critical cut point.

A new, small-diameter cyclone facilitates simple and regular cleaning, and is inexpensive and easy to operate.

The cyclone unit consists of four polyurethane parts (the 2 inch cyclone units consists of four parts), which are simply pressed together.

## METALWORKING

### Quality of vital gears assessed

WESTLAND Helicopters is using a specially designed Bisco-Inlet hardness tester to resolve the hardness of gear bores for the Sea King and other helicopters.

It is based upon a right-angled, completely friction-free transfer of the test forces and is an internal hardness tester fitted with an S80 test unit in which the test unit is transmitted from the test unit in the indenter via a guided rod and spring joint at the tube end, in a ratio of 1:2.

## COMPUTING

### Shell tunes its systems

TO HELP ensure that its computer systems are tuned to maximum operational efficiency, the Shell group has bought a large performance measurement system from Tesdata—a 1185.

Valued at around £50,000, the system has over 150 probes and is installed at Shell's computer centre where it will monitor the operations of three large computer systems.

## NEW PRODUCT SEARCH

Multinational Packaging Division of U.K. Public Company, with 1975 sales in excess of £100 million, seeks new product developments with substantial world-wide potential in the field of general dispensing.

Products for which the potential has already been established through market research are preferred, but new ideas still in the initial stages of development will also be considered for further development.

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his leading body in the profession of the land, first established in 1848 and now with a membership exceeding 3,000, seeks to fill appointment of  
**SECRETARY OF THE SOCIETY**  
he office calls for close relations with other professional bodies, management departments, the press and the public and the appointee must possess the relevant professional or commercial qualifications, be a person of sound judgment and an outgoing personality. Headquarters are in Central London but occasional travel to other parts of the U.K. (31 Branches) and infrequently abroad will be required. A salary of £10,000 p.a. is envisaged and applications, with Personal, should be addressed to  
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3 Cadogan Gate, London SW1X 0AS.

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**DEAR MANCHESTER**  
modern two storey  
Warehouse, Office,  
factory, 12,000 sq. ft. with  
loading, unloading,  
storage, heating, lighting,  
immediate occupation.  
OR SALE OR LEASE  
BRYCE LEE & CO.  
Deansgate, Manchester 3  
061-832 9933.

## SALE BY TENDER

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loading, unloading,  
storage, heating, lighting,  
immediate occupation.  
OR SALE OR LEASE  
BRYCE LEE & CO.  
Deansgate, Manchester 3  
061-832 9933.

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Self-contained office building  
approximately 1,350 sq. ft. For  
sale freehold. No Local User  
Restrictions. Carpets, gas fired  
central heating. Available NOW.  
M. MESSENGER MAY  
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Temple Cotton House is a new prestige  
office building available for immediate  
occupation at a moderate rent. It is  
air conditioned and fully equipped, solar  
heated and has car parking and landscaped  
gardens. TO LET in units of  
6,000-92,000 sq. ft.  
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FOR SALE IN IRELAND  
PREMISES: MACHINERY: RAW MATERIALS.  
IN THEIR ENTIRETY OR PIECEMEAL.  
At Cork Rubber & Plastic Manufacturing Co. Ltd.  
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Tramore Road, Pouladuff, Cork  
PREMISES: Modern Single Storey Factory c. 12,200 sq. ft.  
with all main services.  
MACHINERY: 3D Banbury Mixer; 2 Bridge 22" x 60"  
Mills; 1000 3 Roll Calendar 20" x 30"; Bridge Model 60 Bale  
Cutter; Aqua Tower; Bradley & Turton 1000 Ton Platen Press;  
Dorma Granulator; Schon Auto Die Cutting Press; Turner 608  
Levelling and Sanding Machine; Steam Generator; Air Com-  
pressor; Frecken & Kerfel G1 Splitting Machine; Laboratory  
Mill and Press; 4 Bradley & Turton No. 296/4S-580 ton  
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Scales; Trays; etc.  
MATERIALS: c. 45 tons assorted Oxides, Resins, etc.  
FOR SALE BY TENDER  
Closing Date 15th September.  
On the Instructions of the Official Liquidator, John Hyland Esq., F.C.A.  
Further Details and Tender Documents from  
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Managers of Norton Villiers Triumph Manufacturing Limited  
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**713,500 sq. ft./Site 11.3 acres**  
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Chancery Division Companies Court. In  
the Matter of NEW CENTURY CON-  
STRUCTION LIMITED and in the Matter of  
The Companies Act, 1948.  
NOTICE IS HEREBY GIVEN, that a  
Petition for the Winding up of the above-  
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Justice was on the 12th day of July  
1978, presented to the said Court by  
BANKS and PREWITT (MIDLANDS)  
LIMITED whose registered office is situate  
at West Way, Brierley, Oxford, and  
before the said Court sitting at the Royal  
Court of Justice, Strand, London WC2A  
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any creditor or contributory of the said  
Company desirous to support or oppose  
the making of an Order on the said  
Petition may appear at the time of  
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for that purpose, and a copy of the  
Petition will be furnished by the under-  
signed to any creditor or contributory  
of the said Company requiring such copy  
on payment of the regulated charge for  
the same.  
PARK NELSON DENNES  
RODFORD & CO.  
11, Essex Street, Strand,  
London WC2R 3AP (Ref: 28).  
London Agents for: Wansborough,  
4, Brook Quay, Bristol BS2 0UD.  
Solicitors for the Petitioner.

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**LOCH FINE SCOTLAND**  
Hatching and rearing unit for trout and salmon with facilities  
for oyster rearing. 3.75 acres. Seawater pumping to raceways.  
Fresh water filtration and recycling. Commodious specialist  
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Particulars from:  
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**RUNNING CONCERN**  
A well established Class 118 Hotel in  
Taormina, Sicily, Malta, facing the  
sea. Accommodation consists of 35  
rooms and 70 beds with a well  
equipped restaurant bar and lounge.  
Rented building situated on two floors.  
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Beautifully furnished and easily man-  
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Trade is expanding but good rationali-  
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Commercial Vehicle Distributor situated  
in East Lancashire within easy access  
to M6. Freehold site of approx. 24  
acres comprising of large covered work-  
shop and stores area within enclosed  
yard.  
Write Box E.389, Financial Times,  
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## RETAIL HOUSE FURNISHERS

**PATERSON & CO.,**  
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Well established business for sale in  
a pleasant and expanding town; good  
turnover and profit record with excel-  
lent prospects of further growth.  
Simple display and storage facilities;  
house available is required. Pro-  
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Further particulars from:  
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## BUSINESSES WANTED

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Group of Central London-based retail menswear  
shops with highly experienced but under-utilised  
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of similar or complementary groups.  
Write in strictest confidence to Box E.8336, Financial  
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Volunteers must include return fares  
insurance, living allowance, settlement  
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adviser, unusual personal background,  
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**NURSING HOME** (12 beds) with 12 staff  
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**BEARINGS**  
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quality  
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The cyclone unit consists of four polyurethane parts (the 2 inch cyclone units consists of four parts), which are simply pressed together.

## BUSINESS FOR SALE

**Confectionery**  
Manufacturing Company  
Well established Product—  
sound forward orders and  
profit potential—Modern factory  
located WESTCOUNTRY.  
Write Box E.8337,  
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Group of Central London-based retail menswear  
shops with highly experienced but under-utilised  
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## PERSONAL

**NURSING HOME** (12 beds) with 12 staff  
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## Minister explains Lorrho loan terms

Financial Times Reporter

THE £5M. loan advanced by the Government to Lorrho to assist in the acquisition of Brentford Nylons is only free of interest for an initial period. Mr. Alan Williams, Minister of State for Industry, told the Commons yesterday.

He stated that the interest-free period would end in December 1977, and that the loan would then bear interest at 10 per cent for three years and 12 per cent for the remaining two years.

Mr. Max Madden (Lab., Sowerby) asked what guarantees had been given by Lorrho in regard to their future intentions towards Brentford Nylons, particularly with respect to the maintenance of employment.

Mr. Williams replied: "The only guarantee of employment is a viable business, but Lorrho have stated that they regard their commitment to Brentford Nylons as long-term, and that the success of the enterprise would lead ultimately to additional jobs being created."

Mr. Arthur Lewis (Lab., Newham NW) called on the Minister to make it a condition of the financial assistance provided to Lorrho that no funds should be used for expenses for the directors of the organisation.

Mr. Williams stated: "The funds will be wholly used towards the purchase of the assets of Brentford Nylons from the Receiver."

## Tory seeks 12 seats for Scots

SCOTTISH MPs of all parties should unite to claim 12 of Britain's 81 seats at the European Parliament for Scotland, Mr. Alex Fletcher, Conservative MP for Edinburgh North, said yesterday.

## Howe worried by Revenue's support for search powers

By Justin Long, Parliamentary Correspondent

THE OPPOSITION last night warned the Inland Revenue against playing politics in its support of the proposed powers of entry and search, even into homes for the purpose of investigating suspected tax frauds.

Sir Geoffrey Howe, shadow Chancellor, expressed grave concern in the Commons at the way he considered the Revenue was risking its reputation for impartiality by its attitude in the recent controversies over the report called "snoopers charter" in the Finance Bill.

But Mr. Joel Barnett, Treasury Chief Secretary, rejecting an eleventh hour attempt by the Opposition to remove the proposed powers altogether from the Bill maintained that the powers about them were exaggerated.

It was a "nonsense" to suggest that the safeguards would be circumvented in the way claimed by the Opposition, Mr. Barnett contended, when MPs resumed debate on the report of the Bill which gives the last opportunity to Parliament of amending it.

Sir Geoffrey and other Tory MPs, in this final attack on the provisions, claimed that there was no case for them.

Many people are wondering just how far the Inland Revenue on whose integrity and independence the tax machinery depends is now adopting a political position, said the Shadow Chancellor. "This is a matter which causes grave concern."

"The launching of these proposals and the extent to which they have been overtly and publicly supported by senior officers of the Inland Revenue—not least Mr. Plant, general secretary of the Inland Revenue Staff Association—has done very great damage to the reputation of the Inland Revenue and those who work in it."

In Sir Geoffrey's view, the very fact that the Government had put forward 22 further amendments to the investigation provisions was an acknowledgement of the need for concern over the way they would work.

From the Tory backbenches, Mr. Graham Page (Creedy), an authority on tax and financial matters, said that the powers of entry were "thoroughly odious and unconstitutional."

Liberal spokesman, Mr. Emlyn Hoosen, warned the Government to beware of demands for ever greater investigatory powers,

# Guillotine fury unleashed

By Philip Rawstorne

Melodrama in the Commons yesterday—and the promise of political mayhem next week.

Westminster's Gothic theatre, now extending its performances into the first week of August, is certainly providing its share of entertainment for the tourists.

Free seats, air-conditioned comfort and some of the best acts in the business; beginning yesterday with that dexterous duet, Mr. James Callaghan and Mr. Denis Healey, bending the Left-wing into shape.

But even that provided no hint of the excitement to come.

Mr. Michael Foot, villain of so many political pieces in the past, slipped to the Despatch Box—and, without a sign of squeamishness, proclaimed that the Government next Tuesday would guillotine five major Bills in one day.

How the Tories boomed. "Cheat," they hissed. "Resign," they tumbled. Crouching against the fury, Mr. Foot went on to announce the summary despatch of three of the Bills in the following four days.

Enter Mrs. Margaret Thatcher,

sparkling with synthetic anger: "Mr. Foot has shown a contempt for Parliament unprecedented in our whole history," she cried.

This meant all-out political war. Conservatives would not pair with Labour MPs, she declared—"at least of all to allow Ministers to represent this dictatorial Government overseas."

"Our place will be here," she said—a line which raised a lot of Labour laughter—"to defend a Parliament in danger."

Thrusting that quotation from one of his books in Mr. Foot's face, she added: "The epitaph of this Government will be that it brought the Iron Curtain down..." before being buried under another torrent of jeers and cheers.

Tory MPs raised their right arms and shouted "Reichstag." Mr. Russell Kerr, a Labour Left-winger, shouted: "That's enough of you SS men." And amid Tory protests, said he meant "Silly sons."

Mr. George Thomas, the Speaker, appealed repeatedly for order—and

sometimes got it—as extras from both sides pushed their way on to the stage.

Mr. Foot refused to flinch. "A Labour Government has as much right as any other to get its legislation," he declared. Like the Liberal Government of 1908 for one, and the Tory Government of 1971 for another.

In the seething chamber, Opposition lawyers conjured with precedents: Labour backbenchers hurried impatiently; and the Speaker stood to issue periodic reminders that this was the House of Commons.

Mr. John Peyton recognised the place—but saw Mr. Foot as a latter-day Guy Fawkes. "He has blown the last shreds of his reputation as a Parliamentarian to pieces," he cried.

But amid the chaos, Sir Derek Walker-Smith, a few minutes later, shook a horrified finger at the Leader of the House and announced: "He has assumed the squalid and shabby role of Robespierre."

"And we all know what happened to him," the Tory chorus bellowed—tempting the galleries back for next week's thrilling instalment.

## Tribune Group allows Ministers easy ride on spending cuts

By John Hunt

THE PRIME MINISTER and the Chancellor of the Exchequer enjoyed a surprisingly easy ride in the Commons yesterday when they faced a prolonged grilling from MPs over the Government's proposals for major cuts in public expenditure next year.

Fresh from a Cabinet meeting where details of the cuts had been discussed, Mr. Callaghan and Mr. Healey were in a cheerful and confident mood.

There was some grumbling from a few members of the Tribune Group but the threatened explosion among the Left wingers who sit below the gangway on the Labour backbenches, failed to occur. Even the critics seemed to accept the cuts as inevitable.

The Conservatives contended themselves with the argument that the figure of £1bn. which had been suggested as a total for the cuts, would not be severe enough to solve Britain's economic problems. They blamed the present difficulties on the failure of the Labour Government during its first year in office and taunted Mr. Healey about the promise of an 8.4 per cent rate of inflation which he had

made in the October 1974 election. But the Chancellor claimed that there had been "an astonishing improvement" in Britain's inflation prospects over the past year. In addition, he said that the evidence showed that there would be a substantial increase in manufacturing investment over the next 12 months.

He assured his backbenchers that he was ready to take what further steps might appear necessary to sustain investment.

One of the main concerns of Labour questioners was the effect the cuts would have on employment. They were also worried that relaxation of the Price Code might fail to ensure that higher profits would be channelled into manufacturing industry.

An unflinching Mr. Callaghan earned cheers from his own side of the House when he told the Tories that only a Labour Government could carry this country through the present difficult economic circumstances when the unions had to be asked to make sacrifices at a time when the Government was restraining public expenditure.

A leading Left winger, Mr.

Dennis Skinner (Lab., Bolton) complained that the policy of large cuts in public expenditure was a "strange road for the trade unions and Labour movement to be travelling."

Mr. Callaghan told him that he and the Chancellor were as reluctant as the TUC to pursue this course. There was no masochistic pleasure to be got out of it.

He earned cries of support from the Conservative benches when he added firmly that in the past three years, expenditure in real terms had gone up by 30 per cent, at a time when our gross domestic product had only increased by 2 per cent.

Mr. John Medelson (Lab., Penistone) warned that any policy which added to unemployment by the end of the year would lead to serious problems between the Government and the unions. "Many supporters of the Government will find it very difficult to support such a cause," he said.

A similar line was taken in questions to Mr. Healey by Mr. Gwyn Roberts (Lab., Cannock), who said that further cuts would antagonise the activist section of the Labour and TUC movement. It would feed the appetite of the Tories and the "international blackmailers" for further cuts.

Mr. Healey assured him that the Government did not welcome the cuts but said there were times when a Government must accept its responsibility for keeping the economy in balance and this was one of them.

The Chancellor claimed that

"the Banker" had said in a leading article yesterday that although it was not wholly satisfied with the Government's policy, it was better than no policy at all like the Conservatives.

Mr. John Watkinson (Lab., Gloucestershire W.) suggested that the faster growth of the economy which was now taking place would itself lead to a fall in the public sector borrowing requirement next year.

Mr. Healey replied that between a quarter and a third of the present borrowing requirement was caused by the exceptionally high level of unemployment. As that came down, the borrowing requirement would come down with it, but not anything like enough to make room for the expansion in exports and investment that was needed.

From the Conservative front bench, Sir Geoffrey Howe, shadow Chancellor, said Mr. Healey could no longer go on "chucking his way" through questions about the proposed cuts.

Genuine reductions must come soon but they would have to exceed the figure of £1bn. which had been so widely bandied about. He thought the Chancellor was only making his task harder by prolonging the re-education of the Labour Party.

But Mr. Healey retorted that he was not prepared to be lectured on this subject by Sir Geoffrey when the previous Conservative Government had so conspicuously failed to control the borrowing requirement and money supply.

## Britons in Uganda must assess risks—Callaghan

THE PRIME MINISTER said yesterday that he expected President Amin to account for the death of black hostage Mrs. Dora Bloch. He told the Commons: "Every nation has the right to expect that the fate of one of its citizens should be made known to the home country—in this case either Israel or ourselves."

Mr. Callaghan added that U.K. citizens still in Uganda would be asked to assess the risks and take their own decision on whether to stay.

Mr. Nicholas Winterton (C., Macclesfield) had urged representations to President Amin.

"We have now reached the stage when I would say to the British citizens, 'You know the risks and the limitations on our capacity to assist you as you are dispersed throughout the country. Assess these risks and take your decision.'"

"What has happened has not led me to think any representation from me to Amin would be of any benefit."

Mr. Greville Janner (Lab., Manchester W.) said the Prime Minister should ask President Amin to carry out a full inquiry, and, if possible, arrange for the return of the remains of Mrs. Bloch to her family.

Mr. Callaghan replied: "I do not propose at this stage to communicate with President Amin. We have a representative there and he should make such representations as are necessary in these matters."

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## LABOUR NEWS

# Railway plan could cost 15,000 jobs—Weighell

By Alan Pike and Christian Tyler

AT LEAST 15,000 railwaymen could lose their jobs if the Government went ahead with proposals in its Green Paper on transport policy, Mr. Sid Weighell, general secretary of the National Union of Railwaymen said yesterday.

The union is urging the Government to consider reopening some of the lines which disappeared during the Beeching economies of the Sixties, rather than accepting the case for closing more lines.

It believes there is an argument for building new lines and sidings to serve developing industrial areas such as sites involved in North Sea oil production.

**Substitution**

The Green Paper proposed the substitution of bus services on rail routes accounting for 6 per cent of passenger mileage, but about 37 per cent of total rail mileage. Delegates to the union's conference in Paignton will discuss the proposals to-day at a debate attended by Mr. Peter Shore, Secretary for the Environment.

Arguments in favour of bus transport were put by the Transport and General Workers Union in its comments on the Green Paper published yesterday. It said buses were the cheapest form of public transport and had the greatest case for support.

The broad outline of the Government's thinking was condemned by the TGWU, which said its proposed experiments had nothing to commend them except to save money.

The Government's whole approach to the problem is one of complete abdication of its responsibility to the community.

Further appeals for a fairer deal for road transport came in evidence submitted by the Road Haulage Association. It said it was impossible to reconcile the heavy subsidies and other financial advantages given to the railways with the Government's declared aim of ensuring fair competition between road and rail by charging heavy tolls for the full social and economic costs which they impose on the community.

The Government would unjustifiably increase vehicle payments costs by ignoring the social benefits of the lorry while imposing the "so-called social costs."

The Government was criticised for taking a segregated view of

the various forms of transport. In further evidence the National and Local Transport Officers Association called for the formal national transport authority with a co-ordinating role.

NALGO rejected the cost of satisfactory transport could be paid from fares alone. The value of subsidised transport to be recognised.

**Agreement**

One point of agreement much of the trade union movement on the Green Paper was on opposing the dominant role which the car has adopted as a mode of transport. NALGO said it had to be given a push to get it out of the car's straitjacket.

The TGWU called for restraint on private transport drastically reducing its share of total transport priority schemes. The replacement of vehicle duty with an increase in tax to raise the "costs" of motoring.

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## Soft line on cuts by Scanlon

By Ian Hargreaves, Labour Staff

MR. HUGH SCANLON, president of the Amalgamated Union of Engineering Workers, yesterday made it clear he would not be fighting too hard against the Government's plans to cut public expenditure.

He told a meeting of the American Chamber of Commerce in London that trade unionists supported the Government's economic strategy because "it concentrates, perhaps for the first time, on the need to recognise that if Britain is to get out of its undoubted economic difficulties she can only do so on the basis of an efficient and viable manufacturing industry."

"I know I will be misunderstood, but that carries with it the obligation that there will be greater emphasis on those who make and sell and less emphasis on those who serve."

Misunderstanding or not, this could only mean that Mr. Scanlon had accepted to a large degree the core of the Government's case for cuts.

He expressed surprise at finding himself defending a Government under which unemployment had soared and which threatened to cut public expenditure. But the trade union movement had accepted its responsibility to help defeat inflation.

"We will honour the bargain that has been struck."

But he warned that if industrialists and financiers did not deliver the investment needed, it would be no good asking the trade unions for a third gesture of sacrifice next year.

Equally important was investment in men and women, especially investment in the 200,000 school-leavers who were starting to swell the unemployment figures.

He appealed to industry to take on more trainees and apprentices than were strictly needed. He suggested there would be more money for the Government to invest in industry if it showed itself willing to co-operate.

**Dockers back European Ferries**

WORKERS at the privately-owned Felixstowe Docks have voted by more than six to one against a Government takeover.

European Ferries gained control of the Suffolk docks earlier this year in a bid to battle with the State-owned British Transport Docks Board.

The two contenders are engaged in a High Court tussle over a Parliamentary, private member's Bill aimed at giving the Board control of the docks.

The poll of workers, opposed by the Transport and General Workers' Union, was commissioned by the Electoral Reform Society. The society said yesterday that 407 voted for European Ferries and 68 for the Board in a 41 per cent poll among the 1,181 dock workers.

**Fleet Street journalists in Press Council protes**

THE 3,800-strong Central London Branch of the National Union of Journalists, which includes Fleet Street offices, has decided not to forward a submission to the union head office until the N.U.J. national executive reconsiders a decision which deprives the branch of a representative on the Press Council.

Mr. Gordon McLean, Central London Branch general secretary, said yesterday the decision was one of a long line of injustices to Fleet Street in general and Central London in particular.

The branch has protested that without a Fleet Street representative on the Press Council, "it could not speak with the necessary knowledge and authority on matters concerning the national Press."

**School leavers' plan next week**

By Alan Pike, Labour Staff

FRESH PROPOSALS to help tackle the present acute unemployment problem among school leavers are expected to be announced by the Manpower Services Commission before the school summer term ends next week.

This was indicated by Mr. Richard O'Brien, chairman, introducing the Commission's annual report in London yesterday. He said the general problem facing school leavers in the weeks ahead was causing the Commission "profound concern" and, while

## Rail Board warns on NUR pay rises

By Christian Tyler, in Paignton

BRITISH RAIL is to be warned by the National Union of Railwaymen that unless it acts immediately over pay rises demanded by the NUR, it could face trouble.

The message will be carried by Mr. Sid Weighell, NUR general secretary, who said yesterday that there could be "great difficulties in a matter of days. They know what I mean without my having to spell it out in clearer language."

He explained later that he was hoping to stop his members from "kicking over the traces" because of delay in implementing rises due under the current pay policy at the end of April.

He would be putting pressure on the BR Board to pay out the money to those staff for whom the NUR has exclusive negotiating rights.

This does not mean threats of stoppages, which Mr. Weighell believes are counter-productive at a time when the unions and the Board are fighting to preserve the railway network.

There were more sophisticated ways of getting the desired result, he said.

Mr. Weighell told delegates to the union's annual conference that he was deeply disappointed by an ASLEF decision on Wednesday to reject a personal appeal from him. ASLEF had men-

refused to allow the Appeal Committee to hear an appeal pending an arbitration claimant about the way it had been calculated.

British Rail has said it pay the money until it reaches the Transport Staff Association in the have signed the new Non-rail employees of the Rail Board have, however, their increases.

ASLEF has rejected Board's solution to the of continuing rise of 11.9% negotiated in 1975, 1976 and 1977. The £1.90 was paid out, days after the policy was reduced last August 1. ASLEF the global solution after damage premium in the ASLEF decision on Wednesday to reject a personal appeal from him. ASLEF had men-

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# The Management Page

diversification goes wrong, it can take a long time to repair the damage, as Baker Perkins has found. But the company now has a clearer idea of what its strengths are. Geoffrey Owen reports.

## The gentlemanly road to change

IT IS A widely held view that a company gets into a state of declining ability, the only way out is through some form of shock treatment — an internal coup or a take-over from outside. But the case of Baker Perkins is a different one. The company, which has been in the biscuit-making business for over 100 years, has been able to achieve a remarkable record of growth and profitability over the last 10 years. This is due to a combination of factors, including a strong management team, a clear focus on the core business, and a willingness to embrace change.

### dominant position

dominated by a merger between competing companies in Baker Perkins has always a dominant position in the biscuit-making machinery market. The company's success is due to its focus on the core business, its strong management team, and its willingness to embrace change.

## Lessons which helped to launch Hambro Life

KEITH LEWIS

LAST WEEK Hambro Life Insurance will be making the major public offer for sale of J. Hambro & Co. Ltd. The company, which has been in the insurance business for over 100 years, has been able to achieve a remarkable record of growth and profitability over the last 10 years. This is due to a combination of factors, including a strong management team, a clear focus on the core business, and a willingness to embrace change.

### Time limit

The financial backing for a life insurance company, headed by Mr. Weinberg, has been a major factor in its success. The company, which has been in the insurance business for over 100 years, has been able to achieve a remarkable record of growth and profitability over the last 10 years. This is due to a combination of factors, including a strong management team, a clear focus on the core business, and a willingness to embrace change.

customers wanted: they knew the processes and the markets backwards. Hence those acquisitions which were designed to extend an established market position were more likely to be successful. This was certainly the case with Rose Brothers of Gainsborough, which for many years had been the main competitor of Baker Perkins' Forgrove subsidiary in wrapping and packaging machinery; it was bought in

### LATEST RESULTS AND TEN-YEAR RECORD

SALES AND PROFITS		Capital employed		Return on capital employed	
in 1975/76		£m.		%	
analysed by industry served		1965		21.5	
Profit (loss)		1966		22.3	
before interest and tax		1967		22.6	
Sales		1968		23.4	
£'000		1969		26.2	
Food		1970		29.0	
Chemical		1971		27.9	
Printing		1972		35.3	
Laundry		1973		39.1	
Other		1974/5		38.9	
Total		1975/6		44.5	

1961 and the two companies were merged to become Rose Forgrove.

Another good buy was a Glasgow laundry machinery business, now known as Baker Perkins Jaxons. But these were exceptions. A lot of effort has been spent on sorting out what went wrong; some product lines have been discontinued and several factories closed down.

In the meantime other weaknesses had become apparent. For 50 years the company had been run by a Board of management; four or five executives, including the chairman, shared responsibility for key decisions. As the group became more complex, a new top company, Baker Perkins Holdings, was formed, but retained the same type of Board. Then, in 1967, in order

to streamline the decision-making process and sharpen up accountability, a more orthodox structure was adopted. Under the chairman, Mr. Ivor Baker (later Sir Ivor), two executive vice chairmen were appointed — one (Mr. Franklin Braithwaite) looking after the export subsidiary and all the overseas companies, the other (Mr. R. H. Wilkins) taking charge of the U.K. operations.

group as a whole. He is a grandson of Joseph Allen Baker, MP, one of the great figures in the company's history who was chiefly responsible for building up the Baker company before the 1919 merger.

A feature of the new structure is that the three main manufacturing companies — Baker Perkins Inc. in the U.S., Baker Perkins Ltd. and Rose Forgrove in the U.K. — have a worldwide responsibility for making and selling their machinery, with no artificial distinction between home and overseas business. The U.S. company, for example, looks after chemical machinery, which is logical since the U.S. tends to set the standards for the rest of the world in this field; it can decide whether a particular order should be handled in Saginaw — or in one of the U.K. factories — Stoke or Peterborough.

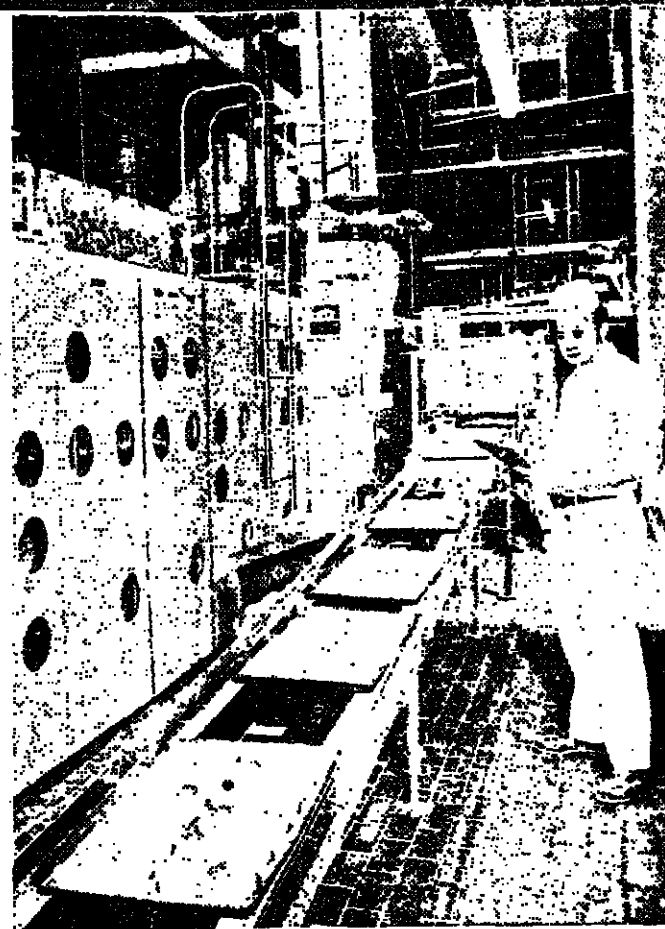
While the management structure has been tidied up and the Board strengthened with several non-executive directors, the group still has a fairly wide range of products, some of which derive from the 1959-62 acquisitions. For instance, Baker Perkins had some experience of printing machinery before the war and in 1961 it bought James Halley of West Bromwich, a manufacturer of lithographic and rotogravure presses. The West Bromwich factory has recently been closed and production concentrated in Peterborough. Although this business lost money last year, the management is convinced that the product range is a good one and has every intention of persisting with it.

What can certainly be ruled out is any spectacular move to diversify further. Braithwaite believes that there is scope for growth in, or close to, the traditional lines, both in the U.K. and overseas. For instance, imports of wrapping and packaging machinery into the U.K. are embarrassingly large. There are good prospects for exports in the developing countries (a £3.5m. contract for a complete biscuit-making plant was recently won in Algeria), but Braithwaite believes that the company has not yet done enough in Europe or even in North America, despite the presence of the U.S. subsidiary.

### Continental base sought

A Continental manufacturing base, preferably with complementary products, would be useful and Braithwaite is looking at one or two possibilities. Baker Perkins has a long-standing 26 per cent. stake in a Continental food and chemical machinery maker. But despite the shareholding the two companies are competitors and it seems unlikely that this investment would provide the route into Europe which Braithwaite seeks.

There is, in any case, a great deal to do to improve the profitability of the existing businesses. Productivity has been increased in recent years (the total labour force has been cut from more than 9,000 in 1968 to 6,500 in 1975-76) and return on capital employed rose to 44.7 per cent. last year.



A Baker Perkins Inc bread-making plant in operation at Giant Foods Inc's factory at Silver Springs, Maryland, in the U.S.

Although this is some way short of the company's target and there are still weak areas of the business, the management appears to have a clearer idea of what its strengths are and how they should be used.

What brought about the change? There was no intervention by the institutional investors (they were presumably content with Baker Perkins' steady dividend record) and even the appearance of Slater Walker as a substantial shareholder did not, in itself, cause the company to alter its policies. For several years the management had made a practice of meeting regularly with analysts. The new approach can be translated into a sustained improvement in profitability.

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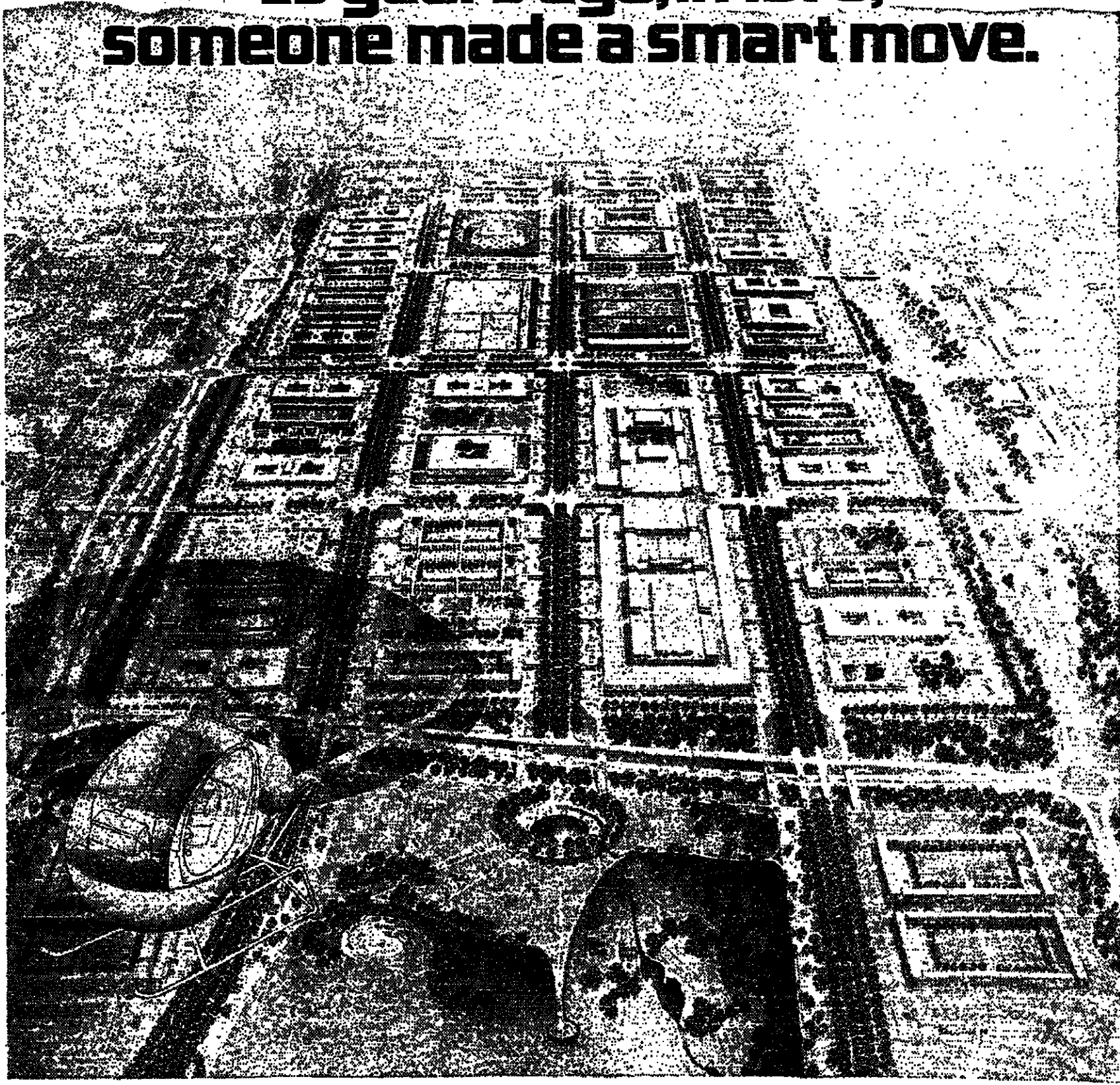
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Tel: Milton Keynes (0908) 74000.

## 25 years ago, in 1976, someone made a smart move.





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FRIDAY, JULY 16, 1976

## Standards of Conduct

THE Royal Commission on Standards of Conduct in Public Life was set up in 1974 to recommend what changes might be needed to prevent cases like the Poulson affair from occurring again. It has made a large number of detailed recommendations. The most important of these are the codification and strengthening of existing legislation against corrupt practices; easier access to the police for members of the public who suspect the presence of corruption; stiffer penalties for local councillors who fail to disclose their interests; wider use and enforcement of codes of conduct for employees of the public sector; and the bringing of bribery or attempted bribery of Members of Parliament within the criminal law.

These measures, the report remarks, "would take most of the practicable steps to maintain probity in public life." Perhaps they would: there is little doubt that since the Poulson affair everyone is much more on their guard against corrupt practices. It is very possible that corruption is much less widespread than that affair may have caused people to think, and the Government has since then published an agreed code of good conduct to guide local councillors in their behaviour.

## Inland Revenue

One's individual opinion about the prevalence of corruption in public life will determine one's attitude towards the more controversial of the Commission's proposals—in particular, its attitude to the role of the Inland Revenue, on which the chairman and three other members have published a note of dissent. There are two issues involved: whether the Inland Revenue should be required to take the initiative in handing on information when it suspects the existence of corruption and whether it is required to satisfy itself that all business expenses are honestly incurred before allowing them against tax.

The case against changing the present system, which is favoured by the majority, is based mainly on practical considerations. So far as passing on information on its own initiative is concerned, the fact is that the Inland Revenue in the nature of things comes across very few cases of obvious corruption. To saddle it with this new duty would have very little effect on the incidence of corruption but might well harm its relations with taxpayers. So far as treating bribes as eligible for tax relief is concerned, the Inland Revenue is not equipped to ensure that every payment made is honest; most dishonest payments, it seems likely in any case, are made out of undisclosed profits.

## Party rules

Two other points deserve comment. The first is that the corruption which the Royal Commission has come up against in its inquiries is largely that of local authority members in connection with planning permission and construction work. Voluntary council work is not well rewarded financially and the power of a councillor is often considerable, especially where his political party is in a dominant position. The Commission is clearly right to stress the responsibility of the parties at national level for the conduct of their local representatives and to endorse the Labour Party's recommendation that the national parties should ensure that members do not hold the same local committee chairmanships for long periods or hold more than a limited number of public appointments simultaneously.

The second point is that the Commission was bound by its terms of reference to consider corruption in the public sector. But there are two sides to a bribe, and the offeror is at least as culpable as the taker. The emphasis on stricter rules for the public sector should not create the impression that the Commission thinks otherwise. The recommended tightening of anti-corruption legislation is evidence enough of that.

## Time in hand on mortgage rates

THE LATEST figures from the public spending cuts. In the building societies have underlined recent warnings from the movement's leaders about the possibility of an increase in their deposit and mortgage rates later on in the year. Net receipts last month fell to £131m, barely two-fifths of the average monthly net inflow earlier this year and only about half the amount they need if they are to maintain their present rate of lending to house buyers.

## Reserves

The decline first became apparent in May but the societies are not likely to act on the basis of just a few weeks' returns. The set-back has come after almost two years in which they have been attracting a record volume of funds. Their success encouraged them to increase their lending target this year by 20 per cent to £8bn. Yet sufficient money has been pouring in to push up their liquid reserves to more than £5bn, a liquidity ratio of more than 20 per cent as against less than 15 per cent two years ago. By drawing on these reserves they could probably maintain the present rate of lending until at least the end of the year.

Fewer loans for house purchase would be a blow to home buyers and builders alike. The pay ceiling may act as a dampener on housing demand but the quickening pace of economic recovery could work in the other direction. Fewer mortgages would discourage house builders from embarking upon new commitments, and fewer new houses for sale could force up house prices which so far have been rising only steadily. As it is, the construction industry has been badly hit by the recession and it is bound to be further affected by the present round of

## Choice

If the Government fails to reduce general interest rates building societies will be faced with a choice later on in the year of either recommending a reduction in the availability of home loans or of raising their rates to borrowers and depositors. Some of the movement's leaders believe that a return to an 11 per cent mortgage rate might not prove sufficient and have been talking about the possibility of 12 per cent, a figure that used to be considered politically unacceptable. Whether the Government would choose to intervene again with the offer of a special loan—at a time of severe restraint on public expenditure—remains to be seen. At this stage, both Ministers and building societies have time in hand.

From New York, Jurek Martin assesses the prospects of the Democratic nominee for President.

## Carter: the favourite who could defeat himself

"JIMMY has never liked surprises. If something was planned he wanted to know if it had been done, and if it hadn't he wanted to know why, and then he would put it on the next day's schedule. He's a great man for schedules." So said Mr. Jody Powell, Press secretary to the new Democratic presidential candidate, Mr. Jimmy Carter.

The next stop on Jimmy Carter's schedule is the White House, on which he reckons to be signing an eight-year lease some time in the evening of November 2. Six months ago these ambitions, expressed in soft Southern tones but distinctive for their complex syntax, seemed preposterous for their nerve: peanut farmers from Georgia of all places were allowed to do no more than dream, even if they had once made the cover of Time magazine.

Nobody any longer doubts the man's colossal self-confidence. Jimmy Carter has emerged from one of the more curious Democratic conventions in this country for many years in the enviable position of being the presidential candidate of the largest party in America, firmly astride the middle ground, a conservative to conservatives and a liberal to liberals.

The Democrats came to New York this week with only one purpose—to crown the man who had won more primaries than any other candidate (over 6m.) on the way than anybody before him. They did so with a lack of dissent quite foreign to the party: the women and the blacks muttered a little in the margins of the convention, but declined to upset the applecart; the Wallacites showed themselves happy to answer the call of another southerner; the McGovernites and their heirs, the supporters of Mr. Mo Udall, could muster no more than the mildest of boos for Mayor Richard Daley, because Mr. Carter had decreed that the Mayor of Chicago was an asset to the party.

## Landslide wins

As a result of all this Mr. Carter now stands 31 months before the election in a position of strength, as measured by the public opinion polls, exceeded at the same point of the campaign by only three presidential candidates in this century—Mr. Nixon, Mr. Johnson and FDR, all of whom knew the satisfaction of landslide victories. The party knows this very well, sensing that it can put a Democrat back into the White House after eight years out in the cold and relishing the prospect. In 1972, when Mr.

McGovern took the nomination, his staff scratched their heads and wondered what they were supposed to do next. In 1968 the party was more intent on tearing itself apart than on bothering about the little matter of winning the election.

Can Mr. Carter be beaten? The answer of course, is "Yes," so long as some qualifications are made. The first is that President Ford, not Mr. Ronald Reagan, is his Republican opponent—something that a month before the Republican convention, is a long way from being certain. The Carter staff like to say that in some respects Mr. Reagan would be the tougher competitor, particularly in the West and South-West, for example, because he is a good stump campaigner but this is almost certainly wishful thinking. The conventional view which is not infallible, is that Mr. Reagan would be eaten alive in the big industrial States, whereas the President, less far strung out on the Right, would have broader appeal.

It is an important element in the equation that next month in Kansas City the Republicans could destroy themselves. The Republican Party is very much in the minority and cannot afford mass defections, which might occur if the Reagan forces believe the convention has been rigged against them by Ford strategists. Some polls have suggested that as many as one third both of the Ford and the Reagan supporters would vote for Mr. Carter if their man loses the nomination.

But, that said, there are ways for a Republican to beat Mr. Carter, and for Mr. Carter and the Democrats to blow the election. The most obvious tactic is to try to paint the Democratic candidate as inconsistent and elusive in his views much as his opponents in the Democratic Party did with varying success in the later primaries.

A Republican task force has been working for months to dig up evidence of changes in the Carter positions and, if possible, skeletons in his closet. They have found, for example, that he called Mr. Spiro Agnew, not long before the latter resigned as Vice-President after admitting a criminal offence, urging him to stick it out until proven guilty. Republicans may have qualms about invoking the name of Mr. Agnew themselves, but if things get desperate it might work.

The Republicans may also have an unwitting ally in the media, especially television, in their attempts to paint Mr. Carter as a man without real opinions or policies. His problem is not that he is not specific, but in the very precision and complexity of the way in which



Mr. Carter and his running mate, Sen. Mondale, campaigning together in Georgia.

he expresses himself. He clearly possesses a first class mind, logical, well ordered and calm: it is overlaid with a touch of the Elmer Gantry "I'll never tell you a lie," sales pitch, but this was used mostly for effect in order to gain recognition earlier in the primaries, and now constitutes a much smaller part of his public oratory.

## Snappy news

Mr. Carter has a penchant for the tour d'horizon: asked a question, he has a tendency first to analyse the issue, from both sides, and then to propose his solution, or, if he does not have one, to say so. That does take time, and does not make for the easy snappy news that fits into the 2½ minutes or so allowed on a television newscast, or into a punchy banner headline. The media, in other words, become frustrated and, albeit unwittingly, help promulgate the line that he is a man who does not know his own mind.

The media also happen to like President Ford. He may be bumbling and inarticulate, but he is kind and decent, and, again inadvertently, the juxtaposition of characters may well work to Mr. Ford's advantage in the country at large. Mr. Ford will be accepted for what he is, Mr. Carter questioned for what he may or may not be. Americans, like anybody else, are quite capable of going with the man whom they know and feel comfortable with, rather

than someone who might, in their view, do anything. The Republicans, without doubt, will also try to suggest that in reality Mr. Carter is precisely that sort of interventionist, activist politician in the free-spirited Democratic tradition that the country seems to want to do without. In tactical terms, in order to win the Republicans must capture some of the middle ground by pushing Mr. Carter further to the left, in spite of the public belief that he is no firebrand liberal.

Some ammunition is available in the Democratic Party platform: the Humphrey-Hawkins full employment bill, for example, even though modified to suit the Carter tastes, could be portrayed as the epitome of democratic profligacy. How, the argument goes on, does Mr. Carter expect to pay for his government reforms, his tax reforms, his medical and welfare reforms, his counter-cyclical assistance to troubled cities? If America is in a parsimonious mood, the accusation could stick.

There is another more psychological factor that might worry Mr. Carter—that he might somehow emerge as another Tom Dewey (who lost to Mr. Truman in 1944)—saddled with an enormous lead that he is powerless to stop eroding. There is far too much iron in Carter's character for him to become complacent; he has already been warning all and sundry that the election is not in the bag, and has shown his determination by announcing that he will start the campaign proper on August 22, two

weeks before the traditional start after the Labour Day holiday week-end, and immediately after the Republicans are due to wind up their convention.

But that may not be enough. For one thing, the Republicans may seek to invoke America's sporting instincts by invoking memories of Truman-Dewey (neatly reversing the roles of course). President Ford, after all, likes to be compared with Harry Truman. Besides, for all his spirit of unity at this week's convention, enthusiasm has not been wildly evident outside the immediate Carter camp. Mr. Carter needs the party to go out and work for him—not simply to sit back and twiddle their thumbs. To be more specific, he needs about another two dozen top notch campaign staff around the country, to augment his very able but very stretched Georgia-based inner circle of advisers. The Democratic Party has the talent but the word is that though several have been approached few have answered the call so far.

## Competent staff

The Carter campaign will be unique in that it will be run from outside Washington. That may create its own original problems of communications. So far the Atlanta-based organisation has worked extremely well, but the demands on it in a presidential election are going to be much greater and the scope for dissension much larger. It

must be said that the staff has shown itself much more competent than deployed by his erstwhile cratic opponents, or, at that, by President Ford, as young, relatively inexperienced, and might crack.

Inexperience, of course, criticism that could, and be levelled against Mr. Carter himself, particularly in the of foreign affairs. His policy speeches have thoughtful and balanced ideas as "compromise" those of the administration and there is no full-throated around his neck by the policy section of the party, statement. But, just as said domestically that no owns or really knows, J Carter so many Republicans be able to wonder about to effect whether important, ters of state can reasonably entrusted to a man whose a to stand up to internal pressures is untested. — same, of course, might, mately have been said President Ford two years but he, at least, had Dr. singer at his elbow.)

## Running mate

The choice of Senator Mondale from Minnesota running mate is clearly designed in part to lay the inexpensive bogey. There may well be as the Republicans will a slow to point out, in the of a man from the Washington establishment that Mr. has made such hay out attacking. This was a calce risk taken by the cand. Senator Mondale may be n of fire, but he has served. Mr. Hubert Humphrey, excellent ties to liberals, organised labour — indeed sort of man who, theoret provides the best a balance, a safe, if not, imaginative, choice design promote party unity.

The popular view of the tical experts is that J Carter will become the President of the U.S. The general conclusion is that i be a close race and that he win, but by nothing like margins implied in cu opinion surveys. He is con the South, and enough o Midwest and Northeast to it: the border states may vide him with some cushion West is an unknown qua What that amounts to is Mr. Carter and the Demo could make mistakes that, lose them the election; b they make no major mist there may not be much t Republicans can do about i

## MEN AND MATTERS

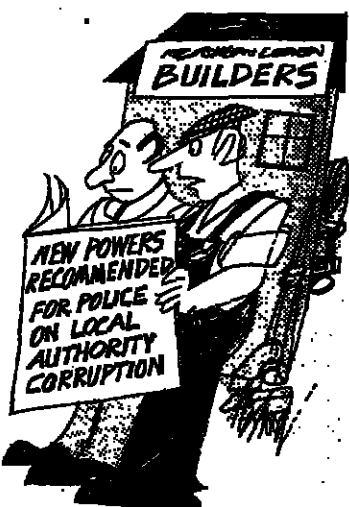
## 'Black Cat' set to pounce

Rothmans International, the European amalgamation of the tobacco companies connected with South African business magnate Anton Rupert, is on the verge of a diversification programme, and behind this lies a tale. In 1972 our own Carreras merged with West German, Dutch and Belgian companies (plus a few other small ones) to form Rothmans International, hailed as the first truly European multinational. The original concept did not work as planned.

Profit figures released a couple of weeks ago, showing pre-tax profits virtually doubled to £40.4m, suggest that nationalistic difficulties have been sorted out, and this is confirmed by the group's current chairman, Sir David Nicholson. ("I work about 70 hours a week and 35 of those are devoted to Rothmans so I can hardly be called non-executive.")

The big question, of course, is where does Rothmans (latest brand launch "Black Cat") go? After all, Imperial is heavily into food manufacturing and brewing, while BAT has gone heavily into the retailing scene in addition to its interests in paper and cosmetics. Gallaher, the third major U.K. tobacco company, has diversified into engineering, optical equipment, and distribution.

According to Nicholson, Rothmans, too, plans to go into distribution, and certainly its diversification will be in consumer related activities. It has no plans to take on either Imps or BATs, and Gallaher's distribution activities are so far concentrated mainly on tobacco retailers. That leaves a lot of the wholesaling field wide open, and that is only in the U.K. The eventual plan is that the group should be just 50 per cent tobacco oriented, with



other interests making up the rest. Analysts will look askance at that (even long-term) project since the Rothmans balance sheet and capital structure has already come in for criticism even without the prospect of further acquisitions. Perhaps, though, we will see some moves on that front as well.

## Sexless

After the first few days of the new Sex Discrimination Act, I avoided documenting some of the more tiresome implications, but a really bizarre point has now surfaced. The Consultative Committee of Accountancy Bodies yesterday took the Equal Opportunities Commission to task for one section of its published interim guidance on the advertising provisions of the act.

The accountancy committee is protesting to the commission for its suggestion that to advertise simply for "an accountant" smacks of discrimination against women applicants. So does the commission really think "accountant" has such a masculine overtone? A spokes-

man replied by stressing that it was only a suggestion at present: the two sides will soon meet to discuss the point. Only a short discussion required I would think.

## CU's new expert

Finance for companies' investment is a thoroughly live issue so what could be more topical, following last week's plea by Finance for Industry chairman Lord Seeborn for reduced interest rates, than Commercial Union's appointment of an adviser to whom this is a dear subject?

To-day should see the announcement that Peter Readman, 29 year old Cambridge lawyer and one of the bright young men in Whitehall's "Think Tank," has been appointed as financial adviser to the C.U. Readman—also a graduate of the Paris-based European Institute of Business Administration—has been advising the insurance giant, particularly on overseas matters concerning the Middle East, Europe and the U.S. But, even with his formal promotion, he will continue with certain duties for the Think Tank (the Cabinet's Central Policy Review Staff).

Readman, a broadcaster and member of the South East Regional Economic Planning Council, has, as one of his specialities, developed a strong interest in the need for extra incentives to coax industry into new investment.

At the Think Tank, he had a key hand in some of the initial planning for the controversial Equity Bank. More recently he advanced the project that the Government should earmark £500m. over five years to boost industry's borrowing from the bank-backed Finance for Industry to £1bn. a year—on a subsidised basis at a rate of 5 per cent, instead of the present 15 per cent, or so.

Taxed yesterday with whether the State could, at this crucial time for curbs in Government spending, take on such a new commitment, Readman claimed that this extra vital outlay in help industry could be accommodated—if necessary by some cuts in social services.

## Down one

Hambro Life Assurance, due to go public next week, has been a notable management success story and the team mostly responsible has been together for ten years. Not always at Hambro Life, of course: it was in 1971 that chief executive Mark Weinberg and five fellow executives moved in, having departed en masse from the U.S. owned Abbey Life group.

Now, in the last days before the flotation, the team is partially losing one of its members. Probably with the Abbey Life exodus in mind, Weinberg and his senior people decided to enter into five-year service agreements. That put 34-year-old Tim Walker, head of the broker department, in a difficult spot. He lives near Bath, has been commuting to and from London, but did not want to be committed to such rigours for five years.

So yesterday Walker resigned as an executive, though he stays as a director and has signed a two-year consultancy agreement. So he will still be around for quite a while, as Weinberg pointed out last night, adding the thought that it was "really remarkable" that the team had stuck together for so long.

## Duck!

I suppose I asked for this following my recent story about ducks flying upside down. A reader asks, "What happens when ducks get angry with one of their fellows?" Answer: they quack down.

Observer

## THOMAS LOCKER (HOLDINGS) LIMITED

## SATISFACTORY ORDER BOOKS

Extracts from the Statement by Mr. J. R. Locker:

- ★ This last year has probably been one of the most difficult in the Company's history with a depressed economy prevailing throughout the majority of world markets link with a further period of severe inflation. The Group profit before tax is £1,503,000, and represents a decrease of 17 from last year's all-time record. However, the second half of the year showed an improvement over the first half and there are signs in certain areas that improvement can be sustained.
- ★ The most significant factor affecting the result has been the performance of our Australian Company which shows a drop of more than £400,000 profit from its previous year's record. I have every confidence that our investments in Australia are sound, but the return to a more acceptable level of trading is taking longer than expected.
- ★ The remainder of our Group has traded reasonably well albeit with somewhat mixed fortunes. Nevertheless, split and successful efforts have been made particular in exports from the United Kingdom and by our South African Company.
- ★ Your Directors recommend a final dividend of 10.8% which, with the interim dividend of 3.5% totals 14.3% and is the equivalent to a gross increase of 10% over the previous year, this being the maximum permitted under current legislation.
- ★ During the early months of the current year, trading continued to be difficult in some areas of the Group activities. Order books generally are standing at a reasonable level, and there are indications of improving economic conditions in many areas served and provided this improvement can be sustained, the outlook is favourable.

Copies of the 1976 Annual Report may be obtained from The Secretary, Church Street, Warrington WA1 2SC.

Jefl not ife



# TUC accepts Mr. Healey's logic over cuts

VERNMENT will get its share of the cuts—and at the hands of the Chancellor. This is a fairly simple point, for one simple reason. The TUC has to all purposes accepted the Government's argument that a logical extension of the Incomes Policy. Full employment is to be restored by investment for which has to be made. A of foreign confidence will massive deflation higher unemployment, the unions, or at any most powerful of them, apted this logic, nobody the Labour movement stomach for a fight, in particular, is in foreign condition, and bane Group, in its on, is already toying comical notion of vot- the Government on the issuing a statement ne blame on the unions, erment, it seems, is nly actor in the drama res to put responsibility e power is.

interesting thing about e exercise has been the th which the union have been brought t has been a publisher extremely difficult. The arguments for e only intellectually ve if one accepts cer- sumptions which the Union Movement has refused to regard with m. If not actual dis- ably the proposition e free-trade, free-con- world of the GATT ation Woods is sacro- lealey has never been at ease with the argu- out "making room" for al investment—and with

The mystery is why this alternative has not really been pressed on Mr. Healey. One can see a right-of-centre Cabinet hesitating to abandon the habits and attitudes of 30 years by defying the United States and our partners in the EEC in this way. I, and most other commen- tators, loathe protectionism—for what that is worth. But why should Mr. Jack Jones and his colleagues feel any inhibitions about a siege economy? No doubt there would be retaliation on tariffs in selected sectors—but not, on the whole, in sectors affecting the most powerful unions. And in any case retaliation is by no means certain if a siege economy package were sold as a temporary affair.

The answer lies somewhere within a triangle whose points are ignorance, loyalty and inertia. Many union leaders (if one may coin one of the most crashing understatements of the year) are not exactly mar- economic sophisticated. If a Labour Chancellor in whom they have come to have a cer- tain amount of trust, and with whom they have just concluded a well publicised concordat, comes along and tells them that the only way to keep out the Tories and save the country is to give up cloth caps and take to the haters en masse—and to hell with the protests of the cloth cap-makers' union. It is both a virtue and a limitation of the old cart horse that it is so slow on its feet. It is the devil of a business to get it started in one direction, but once it is going, more than a few tugs on the reins are required to make it change course.

This demonstration of the present nature of the relation- ship between Government and



Mr. Jack Jones

unions casts an interesting light on the whole debate about the corporate state. There has been a predictable outbreak of horror from the free market school of politicians and economists at the spectacle of Mr. Callaghan, flanked by Lord Watkinson of the CBI and Lord Allen of the TUC economic committee, laying down an "industrial strategy" for the nation. There will no doubt be fresh outcries as a result of Mr. Healey's consulta- tions with the TUC this week and next.

I do not wish at this moment to reopen the whole argument about whether, on balance, this kind of arrangement is desirable in the circumstances in which we find ourselves—I have often

argued and shall no doubt again, on the whole debate about the corporate state. There has been a predictable outbreak of horror from the free market school of politicians and economists at the spectacle of Mr. Callaghan, flanked by Lord Watkinson of the CBI and Lord Allen of the TUC economic committee, laying down an "industrial strategy" for the nation. There will no doubt be fresh outcries as a result of Mr. Healey's consulta- tions with the TUC this week and next.

Show no signs of acquiring the unity or the expertise or the collective will or the revolution- ary zeal necessary to usurp the functions of the state.

A resolute Government. That is the crux of so many political problems at the moment. And it is the strongest part of the case for Mr. Callaghan that, on essentials, he is more resolute than Sir Harold Wilson. The question is, though, what does Mr. Callaghan regard as essen- tial. As an important footnote to the article I wrote last week in praise of the Prime Minister's first hundred days, there is one other warning to be added. That concerns the problem of Scot-

Work on the Devolution Bill is now proceeding apace and there is every prospect that it will emerge in the autumn, if not sooner, in considerably better shape than seemed prob- able at the time when the devo- lution White Paper came out. The foolish attempt to leave veto powers over the assembly in the hands of the Secretary of State for Scotland has been definitely abandoned. The knotty question of how disputes about the powers of the assembly are to be handled is evolving in the right direction—namely the institution of a special judicial body for the purpose.

The trouble is that opposition to the whole exercise does not proceed from criticisms of the original package and cannot therefore be placated by im- provements. The instinctive dislike of large sections of the English Labour and Conserva- tive Parties is, if anything, hardening with time and noth- ing is being done from the Government side to change

matters. Mr. Michael Foot who is in charge of the devolution exercise has quite enough on his plate at the moment with- out trying to exercise per- suasive charm on Labour back- benchers to this end—and in the present atmosphere he would probably only make matters worse. The same would apply to any attempt to get a bipartisan approach going with the Tories—even if Mr. Foot's natural propensities were not entirely against such an attempt anyway.

The prospects for the passage of the Devolution Bill in the next session of Parliament look very uncertain and are probably deteriorating. In fact it is beginning to look as if only the most extreme methods of per- suasion, such as those just employed on the Parliamentary Labour Party in the case of the expenditure cuts, will actually get the measure on the statute book. Nothing short of a threat to dissolve Parliament and throw the English malcontents to the mercy of Mrs. Thatcher is likely to produce the neces- sary majority for imposing a timetable or "guillotine" on the passage of the Bill; and only a guillotine is likely to prevent an endless filibuster of the kind which defeated Dick Crossman's reform of the House of Lords.

Credibility But in order to work, a threat of this kind would have to be credible. In the view of many people, including myself, its credibility would derive from the realities of the situation. If the Bill is not passed there is a probability so great as to be almost a certainty that there will be a new surge of support for the Scottish National Party. At present Scottish public

opinion contains only a minority of separatists but a demonstra- tion over many months of the English backlash in the House of Commons and of the impotence of the Government to deliver on its promises could be expected to have a disastrous effect.

It would not matter very much, in my view, that the chief "culprits" might techni- cally be the Conservatives. The frustration would be felt right across Scotland and it would be the Labour Party which would be the chief sufferer, because Labour holds so many more seats in Scotland than the Con- servatives. In these circum- stances it would be perfectly reasonable for the Prime Min- ister to argue that the risk in- volved in going to the country for a mandate to pass the Bill was less both to the Labour Party and to the United King- dom than the risk of allowing it to fall as a result of Con- servative and backbench Labour obstruction.

But will Mr. Callaghan see things in this light? If he really became convinced that it was his duty to save the Party and the country from an imminent disaster, no doubt he would carry convictions, as he has in the case of the economy. The Bill would pass. The difficulty is that I doubt whether he is con- vinced himself. He has used up a lot of credit this week on what he regards as the most impor- tant issue, and I suspect that at present he is inclined to believe that he can put the blame for any failure on the Opposition. Mr. Foot, who must be shaken by his recent experiences, prob- ably feels the same. It is an ironical but quite conceivable thought that Mr. Callaghan may preside over the revival of the British economy, just as it ceases to be British.

## sign and ustry

he Rector, ollege of Art, Mr. Ewen McEwen (July es two related but quite points, the general prob- management of design strical companies, and the ar issue of engineering The Royal College of Art turned with the issue of design activity, and en- and its validity of its ment in the development igh management studies not seem to need

perhaps should be is that the establish- of the Wolfson Chair in Management is seen as a r forging the widest pos- outside the College industry and with other cities and professions. No one can doubt or will te the task confronting erved in establishing a ffective rôle for the de- in industry. The task will y not be accomplished

ilitary academic swallows, ne promoted the idea of r in the subject, and of tion in this College. Now has been established, a eather as a springboard, a eader in the design e of many initiatives that needed.

ome more directly to the engineering design, Sir Black recently wrote eering design and i design share common istics. They require the ientific and technological ge, they both require ty, but an engineer can y be satisfied if a product efficiently, while the i- designer has only com- his task when it is ble to the operator or con- when it meets the prac- ical emotional needs of the for which it has been ed." A start has already ade in collaboration with Imperial College of and Technology, to plan master's degree course- dents who have obtained degree in mechanical ring. Inevitably one of iat tasks of the profes- ion Management will be to ie to foster these links be- the designer and the er and technologist in the r context of seeking to design standards for the of all.

College of Art, gton Gore, S.W.7.

## iscrupulous lesmen

The General Manager, Westminister nce Co.

"The main reason given a Life Offices Association ngling its commission from le -related to the sum d under the contract to a related to the premium le, is that unscrupulous en are tempted by the ssured related scale to sell strong contract to policy- s. In particular this en- es the selling of very long as on young lives. If this ent is valid then it applies ly to an insurance com- salesmen since these e too may be persuaded by a ssured related commis- scale to sell long-term con- to young lives. The fact they are selling only one any's products makes no ence to the principles be- the argument.

## Letters to the Editor

A point that is often over- looked when considering com- missions payable is that these are only part of the selling costs which a life office has to meet, and which ultimately the policyholder has to pay for. Many offices suc- ceed in making the sale of a costly chain of local offices, an expensive staff of legal and tax experts and a large number of local inspectors. It is not un- common for these inspectors to actually make the sale of the insurance contract to someone who has been introduced by a broker. Clearly, where an insur- ance company dispenses with these additional support facilities and uses the money saved first to pay a higher rate of commis- sion to the broker, who does a full job, and second to reducing the premiums payable by the policyholder, this is to be commended. When looking only at commission paid we could be in danger of doing the potential policyholders a grave disservice. In the end the most important factor is not how much commis- sion is paid to the introducing agent but the suitability and value for money of the contract which is sold.

Peter Connor, Ringstead House, 8 Wyke Road, Wokingham, RG40 2AA, Surrey.

## Standardised commission

From the Deputy Chairman, M. and G. Group.

Sir,—It is indeed ironic that Mr. McNeerney (July 13) should attribute to me a confusion which arose only from the fact that a line was omitted from my letter. "What I wrote was". It is therefore obviously im- portant for him to know if the broker has any interest in recom- mending one policy rather than another or one company's policy rather than another company's. As I am making any further contribution to this discussion I am sorry to have been obliged to write you a further letter. I felt I had to do so, how- ever, if only to reassure readers that my thought processes are not as sloppy as might have appeared. E. W. I. Palamoutain, Three Quays, Tower Hill, E.C.3.

## Evasion of VAT

From Mr. T. Arthur.

(July 13) that manpower reduc- tion at Customs and Excise is a false economy — more tax col- lectors, not fewer, should be employed. This will, according to Mr. Christie not only create 35,000 jobs for school leavers but also will pay for itself by a tightening up on VAT evasion. He goes on to say that VAT evasion is immoral because it lines the evader's pockets with consumers' money. Perhaps we should not be surprised at what is, after all, a standard approach from a vested interest, but it would be a pity if we were taken in by it.

In the first place, there is no reason to suppose that the retention of more resources in the private sector (resulting from the public spending cuts) will not provide private jobs equal in number to those lost in the public sector. And if the cuts result in more tax evasion, the private jobs created will be all the greater. Secondly it is questionable whether tax collec- tion should be called a "job". It is certainly a parasitic rather than a productive occupation, as indeed are all "jobs" supported

by compulsory confiscation of private resources.

As for the immorality of evasion, Mr. Christie should think about the immorality of the tax itself. It is all too common but entirely fallacious to equate morality with the obedience of arbitrary orders handed down by a ruling group, whether democ- ratically elected or not. The immorality of rulers who plunder an ever-increasing share of ex- changes between private citizens should be plain. And a VAT evader "lining his pockets" will probably spend much more wisely than any Chancellor, into whose pocket the money would otherwise go! Furthermore only very shaky economics support the contention that the true bearers of VAT are consumers as opposed to those producing the taxable goods.

Finally, I must declare at least one of my own vested interests. I have just received from HM Customs, without any explanation whatsoever, a threat of proceed- ings following my very first VAT return, which to the best of my knowledge was accurately com- piled and which disclosed that my Customs owe me money. How's that for cheek!

T. G. Arthur, 3 Yateley Road, Edgbaston, Birmingham, 15.

## Undercut by Japan

From the Director, Ball and Roller Bearing Manufacturers' Association.

Sir,—You report (July 14) on Japanese undercutting in France, mentioning bids as much as 40 per cent below French break-even prices for some capital goods. You state that this is the first time such dumping charges have arisen outside the consumer goods sectors. What may be true in the field of heavy investment goods, it is certainly not the case for intermediate components of capital goods.

We are in close touch with our counterparts in the Euro- pean bearings industries and it is our common experience, in- cluding France, that Japanese bearings are sold at prices which we believe to be quite un- economically low. Your report mentions that break-even prices in Japan for the goods con- cerned are 5 per cent-10 per cent above those in France.

The French manufacturers are to be sincerely congratulated on having been able to obtain this information. If they can prove it, the EEC Commission should be empowered to take Com- munity-wide action against the import and sale of such goods.

D. H. Tomsett, 10, Rose and Crown Yard, St. James's, S.W.1.

## Tory Reform Group

From Lord Carr, Nicholas Scott MP, and Peter Walker MP.

Sir,—Your Lobby Editor (July 14) has interpreted the Tory Reform Group open letter on poverty as a violent attack upon the Conservative Party leader- ship by the Group. He states that the Group was set up to protect the interests of the Tory left after the defeat of Mr. Heath by Mrs. Thatcher. This is untrue. The Group was an amalgamation of three previous groups, namely PEST, the Maelred Group and STAG, all of which had existed during Mr. Heath's premiership and indeed at times had been critical of his Government. The Group has never been in favour of any one personality or group of per- sonalities, and if it had been

none of the signatories of this letter would have been prepared to have been associated with it.

Your Lobby Editor goes on to suggest that the signatories of this letter are the makers of clear that in our capacities as Chair- man of the Trustees, President and Patron we are not on the Executive Committee of the Group. The Group, which now has a substantial membership both inside and outside the Universities, is naturally free and independent to express its own views on any issues. On the particular topic upon which your Lobby Editor commented, namely a letter on the subject of child benefits, we were not consulted nor have any of us yet seen the full text of the letter other than as reported in a number of news- papers.

Lord Carr of Hadley, Nicholas Scott MP, Peter Walker MP, House of Lords, S.W.1.

## A summary slap

From Mr. T. Barnes.

Sir,—Mr. Edward Baker (July 10) appeared to encounter some confusion in Michael Dixon's remarks (July 3) that "the professional trend (among teachers) remains steadily against the use of coercion," while the number of teachers who would like to "administer a summary slap" is still in the majority. There is no reason, however, why these statements cannot be reconciled, since it is quite possible for a trend to run counter to a general situation obtaining at any one point in time.

In fact I felt Mr. Dixon's remarks reflected my own ex- perience of 12 years' teaching in a large inner London comprehen- sive school: increasing disillusion- ment with formal ritualised corporal punishment as an in- strument of general discipline, but considerable reluctance among teachers to abandon what was frequently only used as a last resort.

Personally, like Mr. Dixon, I have always thought that the true in loco parentis relationship was better represented by the same kind of smacks on some safe part of the body occasionally given to one's own children than by the rather tense ritual that the authorities permit. Mr. Baker's suggestion for an inquiry into discipline in other countries, although useful, would require a great deal of time and effort. An important aspect of the comparative method is to examine not only the isolated phenomenon under immediate consideration, but also the societal context. I suspect that some of the sanctions used in other education systems would be even less acceptable to most parents than the occasional dose of corporal punishment.

Tony Barnes, Principal Lecturer in (Comparative) Education, The College of Education, Bognor Regis, Sussex.

## Indulging in bat and ball

From Mr. E. Dadson.

Sir,—Trevor Bailey's headline (July 12) is "What is wrong with England?" He provides the answer in his first paragraphs—what is wrong with England is that it indulges in a game of bat and ball which goes on for five days. Let us confine our games to week-ends and concentrate on drawing-board and lathe for the five days which are supposed to constitute the working week. Eric Dadson, 31, Russell Road, Moor Park, Northwood, Middlesex.

## To-day's Events

GENERAL Retail price index for June published.

British Medical Association representative meeting, BMA House, Tavistock Square, W.C.1.

National Union of Railwaymen's conference, Paignton.

Second and final day of Adver- tising Association conference, Queen Elizabeth Hall, S.E.1.

Session chairmen are Dr. J. A. P. Thompson (chairman), Mr. Henry James (director-general, Central Office of Information), Mr. A. A. Ross (chairman, Advertising Association), and Mr. Alex Jarratt (conference chairman and chair-

man and chief executive, Reed International).

Sir Lindsay Ring, Lord Mayor of London, attends Company of Cutlers in Hallamshire, Forfeit Feast, Cutlers' Hall, Sheffield.

BBC Radios 1 and 2 begin broadcasting one-minute reports of road conditions at port.

Approaches on both sides of English Channel on Fridays, Saturdays and Sundays. To-day's report is at 6.51 p.m. BST.

PARLIAMENTARY BUSINESS Minister Asses, Abercorn Rooms, House of Commons: Private Members' Bills.

OFFICIAL STATISTICS

Usable steel production (June).

COMPANY RESULT First National Finance Corp. (half-year).

COMPANY MEETINGS Associated British Foods, Con- naught Rooms, W.C.1, Bradford (Robert), Minister House, Arthur Street, E.C.2, 12. Fashion and General Investment, Winchester House, E.C.2, 12. Jones (Edward) (Contractors), Penmenmawr, 12. Minister Asses, Abercorn Rooms, E.C.2, 12. Standard Fireworks, Huddersfield, 12. Vernon Fashion, New Barnet, Herts., 12. Wills

(Geo.) and Sons, 25-35, City Road, E.C.2, 11.13.

MUSIC Henry Wood Promenade Con- certs 1976 (opening night), BBC Symphony Orchestra, conductor Colin Davis, with BBC Singers and Choral Society, perform Beethoven Mass in D major, Royal Albert Hall, S.W.7, 7.45 p.m.

Festival of City of London (Frank, Paul, Crissley in piano recital of music by Stravinsky, Tippett, Granados and Liszt, Bishopsgate Hall, E.C.2, 1.05 p.m.

Royal Liverpool Philharmonic Orchestra, conductor Sir Charles Groves (soloist will be winner of Carl Flesch violin competition), play works by Beethoven, Guild- hall, E.C.2, 7.30 p.m.

# Still waters.

The smooth, dry taste of Booth's Gin doesn't need fizz to be enjoyed. Add pure, still water on its own – or with a touch of bitters – and your appreciation of Booth's will still run deep.

# Smooth Booth's.



# COMPANY NEWS + COMMENT

## Howden Group tops forecast with £4.66m.

COMPARED with a forecast of a similar outcome, pre-tax profit of £4.66m. for the year to April 30, 1977, against £3.97m. in the previous 12 months. In the first half profit was up from £1.54m. to £1.82m.

Yearly earnings per 25p share are shown to be up from 9.1p to 9.3p and dividend total is ahead from 4.48p to the maximum permitted 4.51p net, with a final of 3.51p net. A one-for-two scrip issue is proposed.

Sir Norman Elliott, chairman, anticipates that the current year's results will reflect the strength of the continuing satisfactory order intake, particularly from overseas markets. He is confident the group is well placed to continue to progress in the years ahead, and that cash available are adequate for foreseeable needs.

1975-76 1976-77  
Pre-tax profit £4,662,229 £5,971,000  
Tax 2,519,741 1,854,578  
Minority 1,177,428 858,322  
Extraordinary credits 119,824 131,231  
Retained 567,799 630,273

### comment

Second-half profits growth of near 30 per cent. at the Howden Group came mainly from overseas, which accounts for about 65 per cent. of income, and particularly South Africa and Canada, with minorities up by nearly half. Over the year there was a rise of 28 per cent. in turnover to £86m, while profits rose by a fifth after interest of £1.1m. (£0.85m.) reflecting gross debt of £11.7m. and cash of £4.4m. All of which adds up to a p/e of 8.2 at 80p (up 4p) and yield of 9.9 per cent., giving a point discount to the sector yield average. Yet orders are apparently a quarter higher than at the end of the previous year and further growth both home and abroad looks secured.

### PEARSON LONGMAN

The Pearson Longman and Xerox Corporation proposals for the acquisition by Longman Australia Pty. of the publishing rights in Cheshire Publishing Pty. (a subsidiary of Xerox), have now been completed.

## AC CARS LIMITED

A Meeting of the Board of Directors of AC Cars Limited was held on 9th July 1977, and set out below are the results (unaudited).

	Six Months ended 31st March 1976	Six Months ended 31st March 1975
Dividend on Ordinary Shares proposed (to Shareholders on Register at close of business on 12th August 1975)	7.00p Net 0.25p Net per share	5.8p Net 0.25p Net per share
Group Profit after all charges including taxation	£38,000	£24,000
United Kingdom Taxation	£40,500	£27,000
Amounts absorbed by Ordinary Dividends proposed	£7,000	£5,500
Earnings per Share	1.90p	1.30p

Turnover for the period increased by reason of continuing price inflation, profit margins have however improved. It is anticipated that this level of profit will be difficult to maintain during the second half of the Accounting period. The increased interim dividend reflects the need to reduce the disparity between interim and final payments, it cannot therefore be assumed that the overall dividend will be higher than the previous year.

The Dividend will be paid on 27th August 1976.

### INDEX TO COMPANY HIGHLIGHTS

Company	Page	Col.	Company	Page	Col.
Allnatt London Props.	23	4	Hampson Industries	23	4
Blakey's (Castings)	20	5	Hardy & Hansons	21	6
Boots	20	4	Hirst & Mallinson	23	4
Britannic Assurance	19	3	Hollas Group	18	8
British Bldg. & Eng.	19	3	Howden Group	18	1
Bromsgrove Casting	23	4	Lyle Shipping	23	4
Bulmer (H.P.)	20	1	Mitchell Somers	21	1
Cradley Printing	20	7	Monument Secs.	18	4
Crosby House	19	6	Ratners (Jewellers)	18	2
Deansons (Holdings)	20	4	Russell (Alexander)	20	5
Debenhams	18	7	Sanger (J.E.)	18	4
Debuture Corporation	18	5	Scape Group	19	2
Denbyware	18	7	Siebs Gorman	19	3
Dew (G.)	19	5	Smith Wallis	20	3
Distillers	19	4	Smith (Whitworth)	18	7
Dunhill (Alfred)	21	3	Trust Houses Forte	19	5
E.R.F. (Holdings)	20	6	Vita-Tex	20	8
Gestetner	19	7	Young Austen & Young	20	3

## Downturn by Ratners Jewellers

AFTER RISING from £303,232 to £362,402 in the first half, pre-tax profits of Ratners (Jewellers) finished the year to April 6, 1977, down from £1,080,530 to £918,547 on turnover of £5.54m. compared with £5.64m.

After tax of £332,170 against £318,314 earnings are shown at 9.7p (11.6p) per 10p share. The dividend is effectively lifted from 1.22p to 1.53p net with a final of 0.38p net.

The directors say the reduction in net profit was attributable to the rise in overhead expenses, including the cost of new branches, brought about by inflation, and the fact that although retail sales were substantially higher the group was unable to realise its full sales potential in order to meet the greatly increased costs.

Chairman Mr. L. M. Ratner

reports that sales in the current year are higher and should this trend continue the outcome will be satisfactory. Resources to enable the company to carry out its plans for expansion are adequate.

### comment

A 13 per cent. setback for the full year from Ratners coming after an interim increase of 19 per cent. left the shares 4p lower at 43p last night. In spite of a record Christmas second-half profits fell by 28 per cent. on a 25 per cent. increase in sales. Margins were under pressure, but also the imposition of a "luxury" 25 per cent. VAT meant that customers traded down to spend the same amount, effectively reducing turnover. Certainly the halving of VAT last April will help, but current profits are still below the very strong comparable period, with its "beat the Budget" spending spree. This year Ratners is continuing its expansion plans, though it looks possible that it will need further bank borrowing to support it after last year's increase of £800,000 in net borrowings to £947,000. The p/e at 4.3 is below that of Walker and Samuel, but the low yield of 3.7 per cent. is an obvious drawback.

## Floreat and Norvic issue statements

Two companies which have had associations with Mr. Tony Buckley, a former managing director of Slater Walker Securities, yesterday issued statements in view of the uncertainties created by recent publicity surrounding Mr. Buckley.

Floreat Investment, of which Mr. Buckley was chairman until May, 1976, said that the unaudited net asset value of the company at June 30, 1976, amounts to approximately 26p per share. "In reaching this figure provision has been made on certain unquoted investments taken and advances made since Mr. Buckley became chairman in October, 1975, following the acquisition by him and associates of a 34.8 per cent. shareholding in the company. In May, 1976, it was announced that Mr. Buckley had ceased to be a director. This was the result

of his not being registered for the necessary qualification shares as a director."

Norvic Securities, another company of which Mr. Buckley was a Board member for a short time, stated:

"Our losses on investments arising through the connection with Mr. Buckley in the latter part of 1975 have now risen from the £180,000 referred to by the chairman at the AGM to approximately £300,000, out of investments at a cost of £500,000.

"These losses will be written off in the first six months of this year which means that the group will show an operating loss for the period to June 30, 1976."

## J. Sanger recovers to £1.52m.

MAINLY REFLECTING expansion in the U.S., J. Sanger, the international meat trading group, staged a full recovery in the year ended March 31, 1976 with pre-tax profits rising from £605,000 to £1,520,000, retaining the level of 1972-74.

With Treasury consent the dividend is stepped up from 3.75p to 4.4p net, with a final of 2.65p. Mr. J. Sanger intends to waive £75,000 of the final. Chairman Mr. J. E. Sanger, explains that the improvement in the figures has been mainly due to the vigorous policy adopted in the expansion of the business on an international basis. During the year, 83 per cent. of the turnover was transacted outside the U.K. compared with 41 per cent. in 1975. So far in the current year more than 75 per cent. of turnover has come from overseas operations, below the level of 1975.

The expansion during the year stemmed from the U.S. where Sanger North America has become a major force in the meat trade in addition to the group's also a large purchaser of American meat products which it is exporting.

In view of the tremendous drop in the U.K. market, two additional trading offices have been opened during the current year. The chairman is confident that expansion in the U.S. market will continue.

The European subsidiaries have greatly improved their positions, while the Australian and Irish organisations have continued to take maximum advantage of procurement situations and have also opened up new markets.

Despite the considerable drop in U.K. market, consumption in the London office continues to be a major source of profit, says Mr. Sanger.

In addition to the growth in turnover and profitability, the group maintained a strong liquid financial position. The chairman is, therefore, confident that the group is in a position not only to meet the present trading trends but also to strengthen its international trading during the current year. Earnings per 10p share showed an increase from 2.45p to 7.45p.

### comment

Following the first-half trend, Sanger's profits have made a complete recovery. When trading became difficult the year before the group completely retrenched, avoiding any speculative position on its own account, and concentrated on holding liquidity so that it could take advantage of the upturn when it came. The move into the U.S. also made a significant difference, and two additional offices opened since last March point to a further advance there this year. Meanwhile London remains busy because it is the hub of the EEC trade, but U.K. consumption of red meat is declining, so Sanger will increasingly turn its attention overseas and a move into Tokyo is the next step. Another good year looks likely, but it is a day-to-day business and a price of 71p, giving a p/e of 9.2 and yield of 9.9 per cent., looks high enough for the present against the food sector.

## Better trend at Monument Securities

Monument Securities returned to profit in the year ended March 31, 1976, with a pre-tax balance of £17,283, compared with a loss of £168,093 for 1975-76.

The result for 1974-75 includes losses of £71,472 attributable to J. D. Fabrics Limited—for 1975-76 the result is £1,000. J. D. Fabrics which was placed in liquidation on March 31, 1976.

It was decided, soon after the results of J.D. for the six months to September 30 were known, to close down the business. There appeared to be no hope of this company trading profitably in the near future, the directors state.

The loss to the company on this liquidation will be £61,000 of £24,000 and will be treated as an extraordinary item in the accounts.

The group has continued to bear bank interest on its three properties, which has amounted to £26,000 in the year. However, since the year end the sale of Olympia Mills, Bradford, has been completed for £47,000 (£40,000 valuation in 1975 accounts).

Offers have been received on the two remaining properties totalling £131,000 (£15,000 valuation) and the directors hope that these sales will shortly proceed to contract and completion. The loss on these sales will be shown as an extraordinary item.

The directors report that the considerable improvement experienced in the second half of 1975-76 by UTC has continued into the current year and with the sale of properties and consequent reduction in bank interest they look forward to the current result showing a satisfactory



Lord Thorneycroft, chairman of Trust Houses Forte.

### DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corr. of payment	Total for year	Total last year
Allnatt London Props.	2.63	Sept 10	2.34	4.47	4.18
Radulph Tea	3	(b)	Nil	3	Nil
Blakey's (Malleable Casts.)	1.77	Oct 1	1.81	1.77	1.81
British Building	1.44	Oct 1	1.43	1.44	1.43
Bromsgrove Casting	1.1	Nov 11	1	1.1	1
H. P. Bulmer	1.97	Sept 13	1.78	2.89	2.65
Debuture Corp.	0.85	Aug 27	0.56	—	—
Denbyware	3.31	Sept 20	2.95	5.42	4.89
G. Dew	1.83	Sept 10	—	1.83	—
Distillers	3.84	Oct 15	3.37	3.84	3.37
ERF	1.8	Sept 3	0.9	1.3	2.56
Gestetner	1.75	Sept 3	1.37	—	—
H. & Dewhurst 2nd int.	0.06(a)	—	0.39*	0.66	0.4
Hampson Inds.	1.5	Aug 6	1.6	0.63	0.53
Hardy & Hansons	1.8	—	—	1.8	—
Hirst & Mallinson	0.66	Oct 1	0.6	—	1.48
Hollas Group	2.86	Oct 1	2.6	3.75	3.44
Howden Group	3.32	—	3.07	4.92	4.47
Lon. & Londond Trust Int.	0.7	Oct 4	0.7	1.28	1.28
Mitchell Somers	0.85*	Sept 13	0.6	0.85	0.85
Ratners (Jewellers)	0.57	Sept 17	0.8	1.55	1.48*
A. Russell	0.76	Sept 2	0.78	1.82	1.88
J. E. Sanger	2.45	Sept 8	3	4.4	3.75
Siebs Gorman	2.73	—	2.19	4.37	3.67
Smith Edges (Whitworth)	0.25	Aug 18	Nil	0.25	Nil
Smith Wallis	1.78	Nov 1	1.73	1.56	2.78
Trust Houses Forte	1.75*	Oct 1	1	2.7	2.56
Vita Tex	1.3	Oct 4	1	2.2	2.2
Young Austen & Young	8.19	Oct 1	3.6	6.19	5.8

Dividends shown pence per share net except where otherwise stated. \* Equivalent after allowing for scrip issue. (a) On capital increased by rights and/or acquisition issues. (b) Corrected. (c) To be paid when adequate funds are received from India. (d) 5p total forecast.

## Debuture Corporation

The first half of 1976 at Debuture Corporation has resulted in an increase in revenue before tax of £22.5p (£7.8p) from £223,119 to £246,368.

To reduce disparity with the final interim dividend is lifted from 0.56p to 0.85p net at a cost of £235,000. Last year's total payment was 2.15p from profits of £1.3m.

The net asset value per share at June 30, after deducting prior charges at par, contingent liability in respect of capital gains tax

	Half year 1976	Half year 1975
Investment income	733,189	714,087
Finance	44,282	44,337
Unrealised	58,267	58,267
Res. & Prov.	23,868	23,868
Expenses	34,139	47,681
Dep. & Int.	82,313	67,715
Profit before tax	446,368	423,119
Tax	23,046	24,000
Net profit	423,322	399,119
Dividend	293,272	252,778
Available to Ordinary	80,050	80,225

## Sales at Debenhams up 16% so far

OVERALL sales so far in the current year at Debenhams are some 16 per cent. ahead, Sir Anthony Burney, chairman, told the annual meeting yesterday. In the department store group sales were about 16.4 per cent. up and food was about 11 per cent. ahead.

Sir Anthony said the current year began well but after a few weeks sales began to fall off. Now, trading was difficult and competitive and had not been helped by the continued hot weather.

The acquisition of I. Miller in the U.S. did not indicate that Debenhams was proposing to enter that country on a substantial scale, he added.

The financial position of the company "was now strong" and the directors intended to keep it that way—they proposed to fund the major part of the purchase consideration for Browns and Hamleys by the issue of Convertible Unsecured Loan stock.

## Denbyware ahead by £0.33m.

TURNOVER of pottery manufacturers Denbyware more than doubled from £4.50m. to £9.2m. in the 52 weeks ended March 27, 1976, and pre-tax profit was £1.54m., compared with £1.21m. in 1975. The year-end profit is struck after a £40,092 (nil) profit on sale of investments, investment income down from £1,948 to £906, investment grants of £1,023 (£2,053) and an exchange gain of £7,095, compared with a loss of £1,483. Stated earnings per 25p share are 20.5p (14.7p). Final dividend is 3.30p net for a total of 4.08p to 3.41p net. Tax takes £0.66m. (£0.57m.) to £0.65m., compared with £0.52m. is retained.

### comment

Though Denbyware has managed a 24 per cent. pre-tax increase (excluding gain on sale of investments) it is apparent that margins were squeezed in the second half; over the two six-monthly periods margins fell from 18.4 to 14 per cent. while profits declined by 9 per cent. Undoubtedly the major cause was the increase in its wages bill which the company was not able to offset with price increases in the second six months while there were possibly less exchange gains during this period. However, with the current depressed state of sterling, this year's profits should receive a useful boost from exchange gains; overseas sales account for about a quarter of turnover. At 121p, up 3p, the p/e is 3.7 and the yield 7.1 per cent., covered 3.8 times.

## 0.25p dividend from Smith Whitworth

Manufacturers of textile machinery and stainless steel fabrication Smith Whitworth (Whitworth) reports pre-tax profits up from £26,170 to £22,237 for the year to March 31, 1976, including the company dividend.

## Hollas further expansion

EXPANSION of profits £132m. to £135m. pre being up from £135m. at halfway—i.e. around £135m. for the March 31, 1976.

And Mr. A. R. Lawman, states that trading has been better than for previous years, but national calamities, the seems not to provide but than those just reports. On existing shares of 1.56p to 3.08p and over 4.51p assuming 100p. An increased final of 2.65p net raises the 1.3475p to 3.75375p. The company proposes synthetic and man-made and has interests in 1 property management.

### comment

Hollas has been shown over the past two years to have fallen by 1 and the property has been sold, leaving yam, ing and clothes import major operations. At the year has been although the group is way short of the 1977. However, current trading is well and a further increase expected but personal is still being squeezed in and the company only 1 per cent. of turnover. At 71p are propped up of 13.1 per cent. which only 1.3 times.

## Backing for Norwest in Portugal

Mr. Ted Brian, Chief of Norwest Hotel, yesterday, that Banco Accores, the Portuguese agreed to support Norwest Portuguese operations. Hoiat (Portugal) is the largest private, developer still operates Algarve.

At the time of the 1 Norwest Hotel (Portugal) assets of £21m, and was concerned with build and villas, 300 units in have been completed, for up to 200,000. Norwest Hotel (Portugal) three more sites with the development potential the company added.

TWO THIRDS OF THE EARTH IS COVERED BY WATER, THE OTHER THIRD BY RICHARD ELLIS.

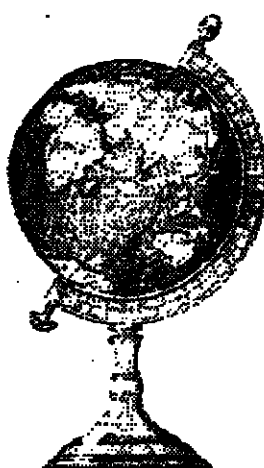
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# estetner up £3½m. so far Second half jump gives it warns on margins Distillers peak £90m.

Turnover ahead by £109.53m, profit of £23.56m to £12m. in the year ended May 31, 1976. The increase in sales is due to a combination of factors, including a 10 per cent increase in the volume of business and a 10 per cent increase in the price of the goods sold. The increase in profit is due to a combination of factors, including a 10 per cent increase in the volume of business and a 10 per cent increase in the price of the goods sold. The increase in sales is due to a combination of factors, including a 10 per cent increase in the volume of business and a 10 per cent increase in the price of the goods sold. The increase in profit is due to a combination of factors, including a 10 per cent increase in the volume of business and a 10 per cent increase in the price of the goods sold.

## BOARD MEETINGS

The following companies have announced their results for the year ended May 31, 1976. The increase in sales is due to a combination of factors, including a 10 per cent increase in the volume of business and a 10 per cent increase in the price of the goods sold. The increase in profit is due to a combination of factors, including a 10 per cent increase in the volume of business and a 10 per cent increase in the price of the goods sold. The increase in sales is due to a combination of factors, including a 10 per cent increase in the volume of business and a 10 per cent increase in the price of the goods sold. The increase in profit is due to a combination of factors, including a 10 per cent increase in the volume of business and a 10 per cent increase in the price of the goods sold.

At £33m. group turnover increased in value by 10 per cent but the figure is influenced both by exchange rates and to a degree by increased selling prices. Exports from the U.K. were £8.18m. (£8.25m.) and the percentage of sales deriving from overseas activity was some 72 per cent, which sustained and indeed increased the figure of the previous year.

Meeting, Blackburn, August 5, 11.30 a.m.  
Statement Page 21

## £2.87m. from Siebe Gorman

FOR THE year to April 3, 1976, Siebe Gorman Holdings reports a taxable profit up to £2.87m., compared with £2.81m. for the previous 12 months. At the mid-way stage an advance from £1.73m. to £2.35m. was recorded. Yearly earnings per 25p share were 14.5p (£17.5p) and a final dividend of 2.75p net payable on capital increased by a 1-for-4 rights issue last July, raises the total for the 12 months from 3.67p to 4.52p.

## comment

Siebe Gorman is 2 per cent ahead pre-tax thanks to a strong performance in the U.K. where profits were up by a fifth. This is due to its involvement in North Sea operations since 1963. SG is the predominant supplier of underwater equipment as well as other related products and services. Overseas profits were substantially down, with losses being suffered in Australia and Hong Kong. Profits in Germany were down by 20 per cent, and in New Zealand by 60 per cent. However, the current year has seen strong recovery in Australia and Germany, where for the first time in 18 months, the factory is working overtime. Growth prospects this year are enhanced by two recent announced acquisitions: a large Swedish safety equipment manufacturer, Gustavsons, and a U.K. manufacturer of safety boots, Adams Bros. At 14½, the p/e is 9.5 and the dividend 5 per cent, covered 3.2 times.

## THF in profit at halftime

A TURNROUND from a pre-tax loss of £9.96m. to a profit of £3.52m. is announced by Trust Houses Forte for the half year to April 30, 1976. Most of the group's profits are earned in the second half, according to Lord Thorncroft, chairman.

And in the second six months trading has started well. Unless there is further deterioration in the value of sterling, he does not anticipate that overall exchange differences will exceed last year's net charge of £2.7m. The interim dividend is held at 1.75p net per 25p share on increased capital—last year's total was 7.55p from profits of £13.21m. The group's activities are in hotels, catering and leisure.

## Optimism at Crosby House

The directors of Crosby House Group have expressed confidence that with its acquisition programme and the flow of compensation monies from Sri Lanka the current year will be the turning point in this commercial and industrial company's development, chairman Mr. M. J. Walsh says in his annual review.

## G. Dew still making headway

Taxable profit of G. Dew and Co. rose from £10.4m. to £10.44m. in the six months to April 30, 1976, and chairman Mr. G. Dew says he is confident that final results for the year will be comparable with last year's £12.7m. The interim dividend, per 25p share, is 8.5p.

## BADULIPAR TEA

Pre-tax profits of Badulipar Tea Company fell from £161,381 to £94,753 for 1975, and profits after tax were down from £57,070 to £27,000.

## YOUR COMPETITORS:



## WHAT MAKES THEM TICK?

Some of the most valuable lessons you learn in business are at the expense of your competitors. If they make a mistake and you find out about it, you'll avoid the same pitfalls. Or if they're successful it's just as important to find out why. The best way to keep track of what your competitors are doing is by reading the Investors Chronicle every week. In our Company Analysis section, for example, you'll find a thorough and informative breakdown of company performance in all areas of the business sector.

## INVESTORS CHRONICLE

To stay alive in business, stay in touch.

## INTERIM STATEMENT

	1976	1975
Turnover	6,658	7,413
Profit before tax	539	1,057
Profit after tax	207	186
Dividend	64	101
Profit before tax	268	770
Profit after tax	56	354
Dividend	212	416
Profit before tax	231	416
Profit after tax	2	2
Dividend	229	414
Profit before tax	97	97
Profit after tax	132	313

Chairman Sir Desmond Lorimer reports: As indicated in my statement to the Annual General Meeting in April, the full impact of the recession has been felt in the first six months of our current financial year. Present trading and indications of future trade is, however, more hopeful. Export orders in the last two months represent 60 per cent of the entire export business done in 1975. Substantial progress has been made in establishing the group's manufacturing and marketing activities in Canada. The exceptionally low charge for taxation arises as a result of the high level of capital expenditure incurred in the period. Whilst the results for the first half-year are disappointing, the board views the second half-year with reasonable confidence. Interim Dividend will be maintained at 0.75375p per Ordinary share payable on 1st September, 1976 to shareholders registered on 30th July, 1976. The Preference Dividend will be paid on 1st September, 1976.

## Parkland Textile (HOLDINGS) Limited

Full order books and plants at capacity

Results for year ended 27th February, 1976	1976	1975
Turnover	£7,159	£6,566
Profit before tax	33	145
Cash flow	398	475
Net asset value per share	87.8p	89.3p
Ordinary dividend (final)	3.4%	3.4%

The following points are included in the review by the Chairman, Mr. J. Hanson: Trading Results: Corrective action at Knoll Spinning Company has resulted in a marked turnaround. The order book, production and raw material positions are now back to normal. The operation of Jerseycraft has been limited and losses of the magnitude suffered in the past cannot be repeated. Future Prospects: I am usually reluctant to forecast the future prospects of the Group partly because of the notorious fluctuations in the price of our main raw materials, but at the time of writing my report I consider that I can be confident that the Group will show a reasonable profit in the first six months of the current financial year, provided that nothing untoward happens. This confidence is based upon the fact that for this period our order books are full, our plants are running to capacity, and that whilst margins are being severely restricted, the Group is making profits.

Copies of the Report and Accounts can be obtained from: The Company Secretary, Parkland Textile (Holdings) Limited, Albion Mills, Greengates, Bradford.

## "I believe the basic strength of the company was never greater during its 150 years"

Highlights of the statement by the Chairman, Sir Alastair Pilkington

- Following a depressed first half, particularly in sales of glass for buildings and motor cars, demand improved in the second half.
- The year has seen a combination of cuts in some areas and continuing heavy investment in others, with the result that the company is now in a much stronger position.
- UK activities
  - The flat glass division had a difficult year, but the second half was better than the first. Triplex suffered from the severe downturn in the UK motor industry and the continuing disappointingly high level of car imports.
  - Triplex is now building the first full-scale production plant for its Ten Twenty laminated windscreens which virtually eliminates serious cuts to the face or injuries to the eyes.
  - Fibreglass returned excellent results for its insulation operation. A new plant which will double capacity will be commissioned this autumn in South Wales.
  - We are now the second largest insulation contractor in the UK.
  - More than 300 companies are now working on the development of products using Cemfil—a glass fibre for reinforcing cement.
  - Pilkington PE will start up full-scale plant in the autumn to make medium-loss fibre optics for communications systems.
  - During the year we purchased 19.5% of the ordinary share capital in Rockware Group Limited which manufactures glass containers.
  - It was necessary to close some long-established works and there were reductions elsewhere. The closure of our colour TV glass operation, which was losing a lot of money, has been completed.
- Operations abroad
  - The new float glass factory at Halmstad, Sweden, starts up this summer.
  - Work is well advanced on the construction of the new float line in South Africa, a further sign of the float process overtaking the obsolescent sheet glass process.
  - Companies in New Zealand, South Africa and Mexico, and the glass fibre operation in India, did well.
  - Pilkington ACI in Australia had another disappointing year. It is now in a stronger position.
  - In Canada, our subsidiary witnessed the depth of recession in the first half and then came sharp recovery.
  - Our Argentine subsidiary is now adjusting successfully to more normal economic conditions.
- Licensing
  - Licensing income reached its highest level yet due to a recovery of activity in almost all the countries that manufacture float glass and it was further increased by the fall in sterling.
- Prospects
  - Although trading conditions are still not good, I do not believe that the basic strength of the company was ever greater during its 150 years. We face the future with great confidence.
- People
  - Our managers and all other employees have again experienced great tests of their ingenuity and resilience in the face of the strains put on the business and on their personal lives. I commend them for their strength which is the strength also of our company.



## What happens within the Pilkington Group

- We are one of the world's leading glassmakers, selling to over 100 countries.
- Our exports and licensing income and other foreign currency earnings totalled £64.62 million (not including glass exported in British motor cars).
- We are Britain's largest supplier of glass fibre and optical glass, and a major supplier of energy-saving products such as Fibreglass roof insulation and double glazing.
- Our float glass process is licensed to 24 manufacturers in 14 countries, with 55 float plants in operation.
- Over 30,000 people work for the Group worldwide in 51 active subsidiaries and 16 associated companies in 18 countries.

Our results for 1976	1976	1975
	£'000	£'000
Sales to outside customers	303,147	241,758
Total Group profit before taxation (including licensing income of £19m—1975 £15m)	34,586	23,439
Group profit after taxation	11,287	7,253
Dividends for the year	5,694	5,171
Profit retained in the business	3,278	2,352
Assets employed before deducting bank overdrafts	401,400	308,800
Earnings per share	20.2p	12.8p
Dividends per share (gross)	14.430p	13.210p

## PILKINGTON

To: The Registrar, Pilkington Brothers Ltd., Prescott Road, St. Helens, Merseyside WA10 3TT

Please send me a copy of your 1976 Annual Report and full Chairman's Statement

Name \_\_\_\_\_

Address \_\_\_\_\_











## INTERNATIONAL COMPANY NEWS + EURO MARKETS

## Greater foreign investment in U.S. reported

BY STEWART FLEMING

NEW YORK, July 15.

EVIDENCE OF a marked surge in foreign investment in U.S. manufacturing from Canada, West Germany and the United Kingdom was released today by the Conference Board, an influential business and management research organisation financed by leading U.S. corporations, some universities and trade unions.

In numbers of announcements that the Conference Board researchers have picked up from sources ranging from Government agencies to trade associations and newspapers, foreign investment in the U.S. is 60 per cent higher in the first half of 1976 compared with 1975.

## Stress

Evidence on foreign investment is patchy, but the Conference Board report confirms the indications which many leading U.S. bankers have been giving in private for some months now, that foreign investment in the U.S. is picking up significantly.

## Compute

More significantly perhaps, the Board says that the new investment announcements by foreign corporations which it has been able to compute in dollar terms indicate that the companies making the investments expect to spend around \$900m. This figure includes \$250m. estimated for the Volkswagen assembly plant in the U.S. which is projected to come on stream in around two years time.

Even excluding the Volkswagen investment, however, in dollar terms the current figure relating to new investments in the first half of 1976 are around 60 per cent higher than the \$400m. announced in the same period of 1975.

## Euroloans for Spain

BY MARY CAMPBELL

SYNDICATION of the \$1bn. loan for the Kingdom of Spain is likely to close in about ten days, international bankers report. The loan has in any case been completely underwritten but it is also being syndicated to participants outside the underwriting group. The minimum participation is \$3m. The date for the signing has provisionally been set for July 28.

Meanwhile a number of relatively small loans have recently been signed or are in the course of being arranged. Tarragona Quinica has arranged two seven-year project finance credits totalling \$20m. from a group headed by Bankers Trust International to put towards a \$115m. capital investment programme in a petrochemical complex close to Tarragona. Of the \$20m. total, \$15m. is on a floating rate basis and \$5m. is fixed rate.

Fuerzas Electricas de Catalunya has concluded a \$40m. loan from a group headed by Amex Bank to finance part of the expansion of its nuclear power plant capacity and transmission and other related equipment. This loan is for five years and is part of a larger package which also involves Exim Bank finance.

In the course of being arranged are loans of \$15m. for seven years for five years for a group headed by International Nuclear Credit Bank; \$35m. for five years for a group headed by Chase Manhattan Ltd., Credit Lyonnais and Lloyds Bank International; and \$80m. for five years for Altos Hornos de Vizcaya via Smith Barney and the French Banque Louis Dreyfus.

THE REPUBLIC of Austria is raising \$50m. on the Eurobond market. The final maturity is 14 years and the indicated coupon 8 per cent. The operation of the sinking fund, which starts at the end of the first year, will bring the average life down to 10.36 years. The issue is being managed by a group of 16 banks headed by four major Austrian banks.

## U.S. RESULTS Commercial bank profits vary

By Stewart Fleming

NEW YORK, July 15.

CONTRACTING second quarter profits from some of the leading U.S. commercial banks were announced in New York and Chicago today, writes Stewart Fleming.

In New York Manufacturers Hanover reported a 3.8 per cent decline in after tax operating earnings at \$24.3m. (or \$1.16 a share) compared with \$25.6m. (\$1.20 per share) in the same period of last year.

Chemical Bank, the holding company for Chemical Bank, reported earnings down 21 per cent to \$21.8m. (or \$1.80 a share) compared with \$27.6m. (\$2.30 a share) in the same period of last year.

Marine Midland Bank's second quarter figures were even more sharply down with earnings of \$3.6m. compared with \$9.9m. in the second quarter of 1975, while Charter New York Corporation's second quarter earnings before securities transactions are \$10.1m. compared with \$11.8m. (\$1.15 a share) in the second quarter of 1976.

Honeywell boost HONEYWELL has reported 2nd quarter net earnings per share of 95 cents (65 cents) compared with 85 cents (55 cents) in the same period of last year.

Net profits were \$19.4m. (\$12.7m.) and sales reached \$705.2m. (\$678.8m.).

Edson W. Spencer, President and Chief Executive of Honeywell, said he doesn't expect the high quarterly earnings increase of the first half to continue in the second half because last year's third and fourth quarters were relatively strong, benefiting from the start of economic recovery in the U.S.

AP/IM-Reuter

Kraftco rise KRAFTCO CORP. has announced net earnings of \$1.30 (\$1.04) for the second quarter. Net profits were \$36.1m. (\$29m.). Sales reached \$123.5m. (\$120m.).

Allied Chemical ALLIED CHEMICAL has announced second quarter net earnings of \$1.33 a share (\$1.21) compared with \$1.2m. (\$1.08) in the same period of last year.

Champion double CHAMPION INTERNATIONAL saw net earnings nearly double in the second quarter to \$2c a share (44c).

Bendix improves BENDIX CORP. third quarter (to June 30) earnings per share were \$1.33 (\$1.00). Net income was \$29.4m. (\$21.7m.) from revenues of \$802.6m. (\$695.5m.).

For the nine months, figures were: \$3.59 (\$2.65); \$79.2m. (\$57.5m.); and \$2.25m. (\$1.94m.). Reuter reports from New York.

## France doubles IDI funds

BY RUPERT CORNWELL

PARIS, July 15.

THE FRENCH Government has agreed to double the resources of the Institut du Développement Industriel (IDI) to Frs.224m. last year, of which half went as direct financial aid and the remainder indirectly to the form of subscriptions to capital increases and the like.

Most important, the body seems to have defined the role for itself as an instrument to strengthen small and medium-sized companies especially in such vital but frequently neglected sectors as machine tools, paper and agricultural machinery, where the country is poorly represented and where manufacturers are hampered by perennial cash difficulties.

In the past IDI has been cruelly torn between the desire of some to see it as an exact counterpart to Britain's defunct Industrial Reorganisation Corporation on which it was modelled to intervene in crucial areas such as computers, and the refusal of the Government and the financial organisations that are its shareholders to provide the resources it required.

It will now have these resources at least up to 1980, after which date the authorities hope that returns from investments in the past will be enough to generate all the funds needed for future investments.

However, 1975 itself was not the happiest of years. IDI's accounts showed a loss of Frs.17.4m. (€2m.) compared with a 1976 profit of Frs.8.2m. Since its inception in 1970, IDI's disbursements have totalled Frs.521m. (€97m.).

## Keppel Shipyard to raise U.S. \$25m.

BY OUR OWN CORRESPONDENT

SINGAPORE, July 15.

THE SINGAPORE Government-owned Keppel Shipyard — the oldest and one of the republic's biggest shipbuilding and repairing groups — is expected to float a U.S.\$25m. seven-year Asian dollar bond issue around the end of this month, to finance the expansion of its shipbuilding and repairing activities.

According to market sources, the new bond issue is expected to be guaranteed by the Singapore Government and will carry a coupon of 9 per cent.

The issue price of the new bond, which will be listed on the stock exchange of Singapore, the sources said, has not yet been determined.

When issued, this will be Keppel's second Asian dollar bond issue. The first was made in May last year when the group successfully floated a U.S.\$12m. seven-year bond issue which carried a coupon of 9 1/2 per cent, and was priced at par.

The new Keppel issue will be the fifth Asian dollar bond issue in Singapore since December last year and will increase the total funds raised on the Asian dollar market over the past eight months to U.S.\$130m., plus \$135m.

Keppel Shipyard, which was founded in 1899 was formerly the dockyard department of the Port of Singapore Authority. Keppel maintains six dry docks, each with a maximum capacity of 40,000 deadweight tonnes, and five berths. Its subsidiaries are involved in shipbuilding, oil rig construction and repair, and merchant shipping.

As part of its expansion programme, the company last year set up a \$510m joint venture with Filipino partners to develop a shipyard at Batangas in the Philippines.

In addition, it is currently building a new shipyard which will comprise initially of a 150,000 deadweight tons drydock and extensive berthing facilities at Singapore's Jurong industrial estate. The drydock is expected to be completed by the middle of next year.

The Keppel group last year reported pre-tax earnings of \$854m.

## Bosch beats recession

By Adrian Dicks

BOCH, July 15.

THE ROBERT Bosch group last year achieved an increase in profits from DM43.3m. (€2.2m.) to DM47.1m. in spite of the effects of recession on several of its main product areas. Especially hard hit was the group's automotive components activities.

The share of electrical motor components declined from 37 to 35 per cent of total turnover, while the share of mechanical, hydraulic and pneumatic components rose from 18 to 23 per cent.

Exports by Bosch domestic companies, reflecting above all the soft state of the motor market, fell from 39 to 37 per cent, overall, while in the motor components branch alone, the fall was somewhat more pronounced, from 50 to 46 per cent.

Investment also declined from DM344m. to DM300m. in 1975. Overseas activities as a whole, however, continued to account for 62 per cent of world turnover, appeared slightly better than domestic business. The total turnover of foreign subsidiaries rose by 4.2 per cent, compared to 0.3 per cent decline for domestic companies.

However, Bosch foreign subsidiaries did not manage to repeat the 19.9 per cent increase in turnover. In the household appliances branch, where Bosch has pooled many of its activities with other companies, 1975 closed on a profit basis in spite of the recession.

The decision of Istituto Finanziario Industriale (IFI) to sell off its controlling 52 per cent stake in the SAI insurance company to Sig Raffaele Urani, who controls Italy's fourth largest chemical group Liquigas, is seen here as a move aimed at reducing the debt of IFI while providing a new financial vehicle for the diversification plans of Liquigas.

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## Mixed blessing for Hitachi

BY CHARLES SMITH, FAR EAST EDITOR

TOKYO

HITACHI scored a 17 per cent increase in its consolidated net income for the fiscal year ending last March, although it came out of the year with sales, almost unchanged, at ¥41.1bn. (S137m.) compared with the 1974 profit level of ¥35.1bn. Sales totalled ¥1,501.5m. or just over \$6bn. and were actually very marginally down from the levels of a year earlier.

Hitachi says that its consumer products division did well with sales up 8 per cent over a year earlier, reflecting the general trend of recovery for consumer electrical durables in Japan and elsewhere. Much less satisfactory results were experienced by the heavy electrical division which suffered from the fact that capital investment in Japan, including investment in the electric power industry, is still slack.

Sales by the heavy electrical section were down 8 per cent, while sales of the consumer division (including the computer section) scored a 4 per cent rise between 1974 and 1975. Hitachi's turnover in heavy electrical machinery, which accounts for 15 per cent of its total, is in contrast with, for example, Matsushita which has a much bigger portion of its turnover in the currently vigorous consumer durables sector.

The bright side of Hitachi's performance last year was that exports grew fast by 25 per cent, to \$948m. or about 16 per cent of total sales. Export orders stood during the year by now at more than 60 per cent, and accounted for a total of 20 per cent of new orders received.

Hitachi admits to a policy of "increasing our dependence on overseas sources." The company currently has no major overseas subsidiaries.

Hitachi has two current projects, one in the form of a joint venture with a Japanese firm to build a new power plant in the Philippines, and the other the tough heavy electrical equipment facing from Europe, in terms of credit facilities, it will be "a very difficult" one.

So far, as heavy machinery and major products to back sales with, Hitachi has been able to maintain a competitive credit position, but it has been forced to accept a memorandum of understanding with the Japanese government to limit its exports of heavy machinery to the U.S. market.

Hitachi's success, however, is not a major profit to the Japanese government, but a loss to the U.S. government, which has been forced to accept a memorandum of understanding with the Japanese government to limit its exports of heavy machinery to the U.S. market.

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This advertisement appears as a matter of record only.

## Central Bank of the Philippines U.S. \$100,000,000 Five-year Loan

managed by

Trade Development Bank London Branch Manufacturers Hanover Limited

Toronto Dominion Bank

Bank of Montreal Singapore Branch Citicorp International Group

Compagnie Financière de la Deutsche Bank AG

Continental Bank Continental Illinois National Bank &amp; Trust Company of Chicago

N. M. Rothschild &amp; Sons Limited

and provided by

Bank of Montreal Singapore Branch BNS International (Hong Kong) Limited

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Continental Bank Continental Illinois National Bank &amp; Trust Company of Chicago Credit Suisse Singapore Branch

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Harris Trust &amp; Savings Bank International Commercial Bank Limited

Iran Overseas Investment Bank Limited Manufacturers Hanover Trust Company

Morgan Guaranty Trust Company of New York Singapore Branch

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J. Henry Schroder Banking Corporation Standard Chartered Bank Limited

Thai Farmers Bank Limited London Branch Toronto Dominion Bank

Trade Development Bank London Branch United Virginia Bank

Agent Bank

Manufacturers Hanover Limited

July 1976

## SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS















## Firm trend in equities with bid speculation prevalent

1½ more to 50p. Elsewhere Eucalyptus Pulp picked up 3 to 50p, but Deansons (Holdings) fell 3 to 30p, the latter on the slump in profits.

Property leaders tended to close in the shade firm following another black trading session. Although the market managed to gain a few points, Land Securities, 171p, and MEPC, 75p, hardened a penny apiece.

**Overseas Traders.** At 10 a.m., Bertford remained in demand and rose 3 more to 139p. Stock shortages again limited business in Transoceanic, which up 4, and Lampa Securities gained a similar amount to 104p.

A firm trend was maintained in Shippings, where some 500,000 shares of first-listed Reardon Smith up 2p to 203p and the "A" 6 to 23p. The deferred 3p to 21p and P & O 4p to 20p.

At 10.30 a.m. several firm features. News of the group's extensive reorganisation plans stimulated interest in Shiloh, which put on 3 to 23p on the increased dividend and higher profits.

With the bullion price dropping 81.5p, the lowest since January 10, 1974, Loves in Gold was accentuated by technical factors. Consideration was modestly easier — 1p premium. The Gold Min 30t and more of the 20t and 10t. The 10t 123.25t, its lowest level 29, 1972.

Among the basic resources, a few were registered by (1516), and (1518), and Free State (1519). Western Area, recorded 1 Overseas dropped 12.

Overseas - based 1 mirrored Golds. "Anglo" (1516) and GFSA (1516) selling left De Beers 2, however, remained flat.

Platinums were also

Contract months	Treasury Bills	Bank Bills	Five Trade Bills
100%	—	—	—
11%	—	—	—
10-105	11%	114-115	—
10-106	—	113-114	—
10-107	11%	114-115	—
10-108	11%	114-115	—
10-109	11%	114-115	—
10-110	11%	114-115	—
10-111	11%	114-115	—
10-112	11%	114-115	—
10-113	11%	114-115	—
10-114	11%	114-115	—
10-115	11%	114-115	—
10-116	11%	114-115	—
10-117	11%	114-115	—
10-118	11%	114-115	—
10-119	11%	114-115	—
10-120	11%	114-115	—
10-121	11%	114-115	—
10-122	11%	114-115	—
10-123	11%	114-115	—
10-124	11%	114-115	—
10-125	11%	114-115	—
10-126	11%	114-115	—
10-127	11%	114-115	—
10-128	11%	114-115	—
10-129	11%	114-115	—
10-130	11%	114-115	—
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10-184	11%	114-115	—
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10-186	11%	114-115	—
10-187	11%	114-115	—
10-188	11%	114-115	—
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Ass. Soc.	01-8358000	...	=
o. Ltd.	01-7490111	+0.3	-
		+0.3	-
s. Ltd.	0403 64141	...	=
Ltd.	01-930 5498	...	=
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esbury.	(0288) 5941	+0.3	-
		+0.4	-
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+1.0	—
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Harpurson & Tjipma	57		3.25	
Hartley & Dal'Aglio	23			3.1
Hartman, Inc.	30		50.62	
Hatch, Norman Bros.	23		21.52	3.1
Hayes & Ward, Inc.	3	-1	4.43	
Headright Bros.	12			
Heckler Bros.	16		0.75	
Helmreich & Sons	49		1.91	
Hess, Inc.	112		0.71	3.1
Hill, R. W. (C&S)	237		0.16	
Hill, R. W. (C&S) 2	42		0.16	
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STEEL WIRE  
TOOLS

# FINANCIAL TIMES

Friday July 16 1976

**BELL'S**  
SCOTCH WHISKY  
*More ye go*

## Leyland defends recruiting drive

By Terry Dodsworth, Motor Industry Correspondent

LEYLAND CARS is pressing ahead with an unexpectedly high recruiting campaign to bring its workforce to between 125,000 and 130,000 by the end of the year. This would be not far short of the levels reached during the period when Leyland was criticised for low productivity before the Government rescue. Mr. Derek Whittaker, managing director of Leyland Cars, writes in the Trade and Industry monthly magazine, "The Motor Industry", that the company's recruitment drive was necessary to reach a production target of 25,000 vehicles a week by December. The projected new manning needs will raise eyebrows in some quarters because of the commitments of the Leyland management to a tight control of employment and better productivity. In the period before the Government rescue, the workforce in the car division was running at between 130,000 and 140,000. Mr. Whittaker will seek to deflect criticism on the grounds that the company is improving its performance.

### Capability

The increase in employment—about 10 per cent. over the whole year—will be accompanied by a 21 per cent. increase in per unit productivity "if we stay on target."

Mr. Whittaker says that Leyland's target of producing 19,000 vehicles a week by June had been met, but that the company was planning to step up output to 22,000 cars a week by August and to add another 3,000 by December.

"These are all realistic targets. In the early part of this year our production figures slumped through a series of very damaging disputes. Since then, however, we have made very real, substantial progress in a determined drive to step up production. I have a strict policy of allowing results to speak for themselves."

## Executives of credit company suspended

TWO SENIOR executives, including the managing director, Mr. J. K. Holland, have been suspended by BankAmerica-WilliamsGlyn Factors, the credit company jointly owned by Bank of America and Williams & Glyn's Bank.

An announcement on the suspensions is expected today. A London spokesman for Bank of America, the world's largest bank, said last night that the suspensions had taken place pending completion of an audit. In addition to Mr. Holland, Mr. R. A. Lester, general manager of BankAmerica-WilliamsGlyn Factors, has been suspended.

Williams & Glyn's, one of Britain's clearing banks, is a member of the National and Commercial Banking Group. The annual report of Williams & Glyn's Bank for the year ended last September said that BankAmerica-WilliamsGlyn Factors had had another successful year with a further substantial increase in profits.

## BMA seeks doctors' ban on overtime

By Donald Maclean

JUNIOR DOCTORS have been asked by the Hospital Junior Staffs Committee of the British Medical Association to resume the industrial action they suspended early this year.

Doctors who support the call will revert to a 40-hour week.

Dr. David Wardle, chairman of the Junior Staffs Committee, said yesterday that the banning of overtime work in this way would be operated flexibly so that emergency cases would be covered. The renewal of industrial action results from a dispute with the Government over the question of doctors' overtime pay during periods of annual or study leave.

Meanwhile the Junior Hospital Doctors' Association, which recently federated with its fellow break-away group from the BMA, the Hospital Consultants and Specialists' Association, urged its members not to engage in industrial action.

## French franc falls despite support

By Rupert Cornwell

IN SPITE of a rise in short-term interest rates here, and heavy Bank of France support, the French franc weakened further throughout today in an increasingly nervous foreign exchange market.

By the evening the rate had touched Frs.432 to the dollar in inter-bank transactions. Earlier during the official Bourse trading session, the currency was slipped to Frs.479.13-013 from about 4.7870 before the Bastille Day holiday.

The decline came in spite of Central Bank intervention estimated by dealers today at up to \$100m., including a highly visible \$100m. during Bourse hours. Since the latest unrest began a week ago, the Bank of France has spent \$300m. defending the franc, without great success.

The rise in the cost of overnight funds to 8 per cent. on Tuesday appears to have done little to stem the tide, while the markets were openly sceptical of the statement by Finance Minister M. Jean-Pierre Fourcade that the franc's rate against other major currencies would not change much in coming months.

In the forward market, the franc is valued at Fr. 43370 to the dollar for delivery in one month, while the three-month rate is 4.89. Even the pound, weak against almost every other currency, rose in Paris today to Fr. 8.5234 from Fr. 8.5075, while the Swiss franc reached a new high record.

The Eurofranc rate, that reliable barometer of speculation, climbed again today as operators borrowed foreign-held francs to sell against strong currencies.

**Narrower**  
One month's Eurofrancs were costing over 15 per cent. this evening, against about 8 per cent. a week ago.

Colin Millham writes: The franc's appreciation since the Washington Agreement has now narrowed to 1.54 per cent. on \$70 per cent. when the franc was withdrawn from the European currency "snake" in February, according to Morgan Guaranty figures.

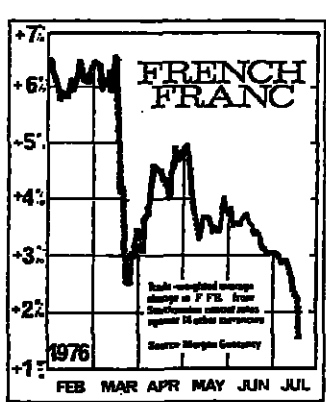
Strong demand for the yen has pushed it up to ¥233.05 in terms of the dollar, compared with ¥236.70 last Friday. The Bank of Japan has made heavy purchases of dollars this week to try to slow the yen's advance.

The pound cost a further 10 points yesterday to close at \$1.7805, and after the finish of trading in London sterling fell below the \$1.75 level in New York.

Earlier, the Bank of England probably intervened to prevent too sharp a fall by the pound. It is continuing to maintain tight conditions in the forward market.

Jay Palmer writes from Washington: International Monetary Fund and U.S. Treasury officials yesterday seemed generally pleased at the result late on Wednesday night of the IMF's second public gold auction. The heavily over-subscribed 750,000 ounces on offer was sold at a common price of \$122.05 an ounce, slightly below the open market rate but a little higher than most dealers had expected.

Bids were submitted for more than 2m. ounces and successful bids ranged from the common price of \$122.05 to \$126.50. The sale raised a further \$64m. for the IMF's new trust fund to aid developing nations.



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Mr. Gibbs, who has served in Austria and Venezuela, was with the Royal College of Physicians before joining the Foreign Office Inspectorate.

His appointment seems to confirm suggestions that the Government does not intend at this stage to break relations with Uganda, preferring to take the heat out of the situation.

You know the risks, and the limitations on our capacity to assist you, as you are dispersed throughout the country. Assess these risks and take your decision.

Most Britons still in Uganda were long-serving residents. "Some will leave, but others will not leave because in their regard it is their home."

On the fate of Mrs. Dora Bloch, 74, the British-Israeli hostage left behind after the Israeli raid on Entebbe, Mr. Callaghan said that he thought it right that President Amin should apologise for her death.

A Kenya newspaper has said her charred body was found in forest near Kampala early this week.

In response to suggestions that he ask President Amin for a full inquiry, he said: "I do not propose at this stage to communicate with President Amin. We have a representative there, and he should make such representations as are necessary."

In Kenya several hundred refugees, mostly Kenyans, were reported to have arrived from Uganda. One said that he fled with wife and children after seven Kenyans were killed by soldiers at Namuwongo, near Kamula, where most residents are Kenyan.

Transport services between Kenya and Uganda have been disrupted by worsening relations.

Mr. P. J. Mwangi, Kenya regional manager of East African Airways, said Kenyan crews would drive only to the Uganda border, where Ugandan crews were expected to take over.

On Kenya's decision to require payment only in foreign currency for Ugandan goods carried on the line, he said arrangements had been made for regular shippers to operate special accounts.

According to Uganda Radio, monitored in Nairobi, "two British spies, a man and a woman, have been found to be involved with the CIA and have been expelled." It is thought that the two may be the Britons told to leave Uganda earlier this week.

On Monday, it was said that three people, including Mr. Peter Chaudhry, had to leave Uganda, but as far as is known only Mr. Chaudhry left.

Parliament, Page 14

Politics To-day, Page 17

Weather

U.K. TODAY  
CLOUDY with rain at times. Temperatures about average.

London, S.E., E. Anglia, Cent. S., Midlands E., Channel Is. N.E.  
Cloudy with rain, becoming sunny and dry. Max. 22°C (72°F).

Midlands W., W. England, Wales, Lakes, I. of Man, Cent. N. England  
Sunny intervals and showers. Max. 18°C (64°F).

Edinburgh, Dundee, Aberdeen, S.W. Scotland, Glasgow, Cent. Highlands, Argyll, N. Ireland  
Sunny intervals and showers. Max. 16°C (61°F).

Shetland  
Cloudy with rain, then sunny intervals and showers. Max. 14°C (57°F).

Outlook: Sunny with showers. Further rain may reach W. later. Lightning: London 21.41, Manchester 22.00, Glasgow 22.21, Belfast 22.21.

HOLIDAY RESORTS  
Yday, mid-day, Yday, mid-day

Algarve 8 27 81 100  
Alders 8 27 81 100  
Bournemouth 8 27 81 100  
Brighton 8 27 81 100  
Brixham 8 27 81 100  
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Long range forecast—warm  
MOST AREAS will probably have warm, sunny weather with temperatures generally above average in the next month, and well above average in the E. Cooler unsettled spells are likely with the first half of the period warmer and drier than the second.

Rainfall and thunderstorm frequency are expected to be about average, but it could continue drier and sunnier than usual in the E.

## Britain appoints new envoy to Amin

By Bridget Bloom, Africa Correspondent

BRITAIN has appointed an acting High Commissioner in Uganda to replace Mr. James Horrocks, who is being withdrawn at Uganda's request.

The new head of the British mission in Kampala is Mr. Eustace Gibbs, a Foreign Office Inspector who, according to the Foreign Office, has been in the Ugandan capital for a fortnight making a routine inspection of the High Commission.

Mr. Gibbs, who has served in Austria and Venezuela, was with the Royal College of Physicians before joining the Foreign Office Inspectorate.

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## THE LEX COLUMN

# DCL and the U.S. market

News of Distillers' profits rise from £71m. to £90.8m. in the year to March left the shares 7p lower at 138½p yesterday, but there is nothing too surprising about the figures. U.K. sales fell sharply following last October's price increase and DCL, the price leader, has lost market share. But of course margins recovered substantially over the year, from something in the order of 50p to well over £2 per case. U.S. sales were well up in the third quarter, compared with a poor period in 1974, and other export markets have been strong throughout the period. In addition, finance cost pressures have eased. With the help of around £40m. of longer term borrowings, net bank overdrafts have been cut to under £10m.

Growth hopes for the current year are pinned on the export markets for the U.K. remains flat. The stock position seems to be more in balance in the U.S. where there are some signs that the swing from bottled to bulk whisky may be levelling off: profits in the other export markets will be buoyed up by £14m. rights issue—not borrowings by the end of the year are over the past year. On this basis, a yield of 6.9 per cent. and a p/e of 11 might still look attractive following a year of relative share price strength.

However, it does seem possible that volume in the important U.S. market is not going to return to past growth rates for some time to come. Whisky certainly seems to be lagging the economic cycle, with withdrawals from bond falling 9 per cent. in the first five months of this year.

See also Page 19

Tate/Manbré  
Running down the U.K.'s cane sugar refining capacity by a third will be made a much easier process by the merger of Tate and Lyle and Manbré and Garton, argues the former. But Manbré has refused to take part in any merger negotiations.

And given that Tate has tended to play down the importance of its U.K. refining operations (responsible for only a seventh of profits last year) it would be surprising if it were contemplating such a large move just on this account.

Manbré is valued at £36m. more than a quarter of Tate's own capitalisation.

In fact, Tate will have more than an incidental interest in Manbré's dominant starch products side. As recently as last May, Tate agreed to invest £13.5m. to gain one-third interest in Tunnel Refineries and Amylum, both major producers of starch. Malze-based syrups are taking an increasing share of the U.S. sweeteners market, and a Dutch company is building a £30m. U.K. plant. Against tax charge—if only a slim 1½ this background Manbré is not going to sell itself cheaply.

Gestetner  
With more than 80 per cent. of earnings coming from overseas, roughly a third of Gestetner's 43 per cent. first half profits growth can be attributed to sterling's precipitous fall in the early part of 1976. Nevertheless the figures show that the recovery, dating from the second half of last year, is now well under way with the real growth coming from Europe, where the profit contribution rose from 30 per cent. to 42 per cent. In addition the recovery at Rex Rotary is beginning to be felt and should amount to a turnaround of around £1m. this year.

Margins in the second half are under slight pressure, reflecting increased marketing expenses and price controls in the Australian and Dutch markets, but volume is holding up well, and helped by a further 3.2 per cent. fall in sterling since the interim profits were struck, Gestetner should be heading for pre-tax profits of £25-£26m. in the full year.

See also Page 19

Capital & Counties  
Under its conditional sales agreement, Capital and Counties stands to receive Can.\$49.5m. for its holding in Abbey Glen, which cost \$77m.—and the book loss could be upwards of £20m. Moreover \$32m. of the proceeds will be absorbed by deferred purchase liabilities, and there is an additional U.S.\$32m. of associated debt to be repaid.

But the sale could take borrowings of as much as £150m. out of C. and C's. balance sheet and, the company says, leave it on a firm base to move forward, albeit on a much reduced scale: the remaining property assets may only amount to roughly £120m. The overseas cutbacks have made a sizeable hole in net worth, which totalled \$58m. a year ago, and last autumn's loan arrangements will have to be renegotiated accordingly. Yet the group could have one card up its sleeve, in the shape of a U.K. realisation.

See also Page 23

THF  
Trust Houses Forte's hotels are working from occupancy rates six points higher at 90 per cent. in London, it has been pushing through some useful price rises lately and profits from Travelodge in the U.S. are rising very sharply in sterling terms. Thus for the first six months a £1m. loss has been turned into a profit of £2.4m. and for 1975-76 as a whole the £13.5m. to gain one-third interest in Tunnel Refineries and Amylum, both major producers of starch. Malze-based syrups are taking an increasing share of the U.S. sweeteners market, and a Dutch company is building a £30m. U.K. plant. Against tax charge—if only a slim 1½ this background Manbré is not going to sell itself cheaply.

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With more than 80 per cent. of earnings coming from overseas, roughly a third of Gestetner's 43 per cent. first half profits growth can be attributed to sterling's precipitous fall in the early part of 1976. Nevertheless the figures show that the recovery, dating from the second half of last year, is now well under way with the real growth coming from Europe, where the profit contribution rose from 30 per cent. to 42 per cent. In addition the recovery at Rex Rotary is beginning to be felt and should amount to a turnaround of around £1m. this year.

Margins in the second half are under slight pressure, reflecting increased marketing expenses and price controls in the Australian and Dutch markets, but volume is holding up well, and helped by a further 3.2 per cent. fall in sterling since the interim profits were struck, Gestetner should be heading for pre-tax profits of £25-£26m. in the full year.

See also Page 19

Tate/Manbré  
Running down the U.K.'s cane sugar refining capacity by a third will be made a much easier process by the merger of Tate and Lyle and Manbré and Garton, argues the former. But Manbré has refused to take part in any merger negotiations.

And given that Tate has tended to play down the importance of its U.K. refining operations (responsible for only a seventh of profits last year) it would be surprising if it were contemplating such a large move just on this account.

Manbré is valued at £36m. more than a quarter of Tate's own capitalisation.

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